THE Nation's Business

VOL. IV
No. 1—
PART I

JAN.
1916

Published by the CHAMBER *of* COMMERCE *of* THE UNITED STATES *of* AMERICA
RIGGS BUILDING *WASHINGTON, D. C.*



What Can We Hold of Our War Time Trade?
The National Chamber's Annual Meeting
The Government and the Sherman Law
The Vote on the Two New Referenda

TEN CENTS A COPY

ONE DOLLAR A YEAR

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THE NATION'S BUSINESS

LOUIS E. VAN NORMAN, EDITOR — ROBERT D. HEINL, ASSOCIATE EDITOR

Published Monthly by the CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA. *Riggs Building Washington, D. C.*

New York, 1126 Woolworth Building. Chicago, 640 Otis Building. San Francisco, 1303 Merchants' Exchange Building.

Entered as Second-class Matter, February 18, 1913, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

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THE NATION'S BUSINESS *is the official monthly publication of the Chamber of Commerce of the United States of America and, as such, carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. In all other respects it is a magazine for business men and the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.*

JANUARY, 1916

COMMERCE IN THE MONTH'S NEWS

THE Fourth Annual Meeting of the National Chamber—just a little over three weeks off now—promises to be a really historic occasion for American business. The President of the United States will address the assembled business men. Other eminent leaders of thought and action in American public life will contribute their counsel and experience on pressing problems. In his final word, urging all who can to be present (printed on another page) the President of the Chamber reminds us how the trade of the world is changing and shifting, how these are matters that concern us all, and how we must needs guard what we have and watch our opportunity for advancement. The Chamber's great meeting will set a mark by which commercial things will be reckoned.

The Annual Meeting Only Three Weeks Away

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UPON two questions—particularly important to business in war time—the National Chamber now stands committed to action by the vote of its members. Much has been written and said about our present opportunity for world trade. The National Chamber, in the specific recommendations for extending the usefulness of the Bureau of Foreign and Domestic Commerce and of the Consular Service, approved by its membership in a referendum which closed on December 30, is doing the practical thing to make our governmental machinery more efficient to secure and hold foreign trade. The canvass of American business on the best method of using modern public opinion to prevent future wars, or to make them almost impossible, is one of the first—if not the very first—attempt made to approach this great human problem from the standpoint of the men who are managing the practical affairs of the world. The votes on these referenda are analyzed on other pages this month.

Preparing for Peace and World Trade



Is American Business Awake to Its Opportunity? The World's Trade is Before Him; "Get Up and Get It" is the advice of "Sykes" in the Evening Ledger (Philadelphia)

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PRESIDENT Wilson, in his annual message (as already noted in these pages) has suggested to Congress a commission of inquiry to investigate thoroughly the railroad situation and find out what is wrong. Both railroads and public believe that something is wrong. Following closely upon the President's suggestion, Mr. Newlands introduced in the Senate a resolution for a joint congressional committee to undertake such a sweeping inquiry with especial reference to Federal regulation. There is now available a vast amount of fresh and pertinent evidence on the subject: Interstate Commerce Commission figures, the results of several thorough rate

To Regulate Railroad Regulation

hearings, elaborate wage adjudications and various other proceedings in which railroad finances have been mercilessly scrutinized. It will occur to most of us that there might well be several business men on such a commission; also, that there is some good sound sense in the suggestion of the *Saturday Evening Post* that Congress could save much time and money by asking the assistance of the economic departments of some of our great universities.

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Have We a Moral Right To Prosperity

HAVE we Americans a moral right to be busy, prosperous and at peace in seething times like these? This stimulating question, raised by the Springfield *Republican,* has aroused considerable discussion in the religious press. The New England Journal answers its own question in the affirmative. We are —it reminds us—the only nation on earth without moral responsibility for the present world calamity. We have not escaped suffering because of Europe's madness. Our present activity and large crops are "only our due." Says our daily contemporary:

> The spectacle of a united continental America growing strong and rich in peace, while continental Europe rends itself in war, ought to be driven home to the consciousness of the European peoples and forced upon the attention of every European monarch and statesman. America is now teaching the lesson of political unity and profit from the maniacal dissensions of the nations abroad, and that is a lesson which Europeans in time will more calmly and sanely contemplate, perhaps to their advantage and to the advantage of the world.

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SOME manufacturers who desire an immediate upward revision of the tariff fear that a permanent tariff commission, with powers of investigation, might delay such a revision. These gentlemen are under a misapprehension regarding the powers and workings of such a tariff commission as that advocated by the National Chamber. The sort of commission which the Chamber favors—as has been repeatedly stated in these pages—would have no voice whatever in determining national policy as to a tariff. It would merely ascertain facts pertaining to business, without which a really efficient scientific tariff cannot be built up. Such facts are absolutely essential, regardless of the sort of tariff policy to which Congress may be committed, whether that policy be for a high or low tariff, or one for revenue only.

What a Tariff Commission Would Not Be

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COMMERCIAL training in our schools –education for business—received especial attention at the Educational Section of the Pan American Scientific Congress. The whole range of school training for commercial pursuits in the United States and abroad, in England, Germany and Latin-America, was covered in papers by those who had given much study to the subject. The Secretary of Commerce, the Assistant Secretary of the Treasury, the President of the University of Illinois, and the President of the National Chamber made addresses on the general topic while in some thirty carefully prepared papers the various phases of the profession of business were discussed. As a result of this, a resolution was adopted for a committee of fifteen to investigate the entire subject of education for foreign service, to make constructive suggestions and to report at a further conference.

Commercial Education for Pan-America

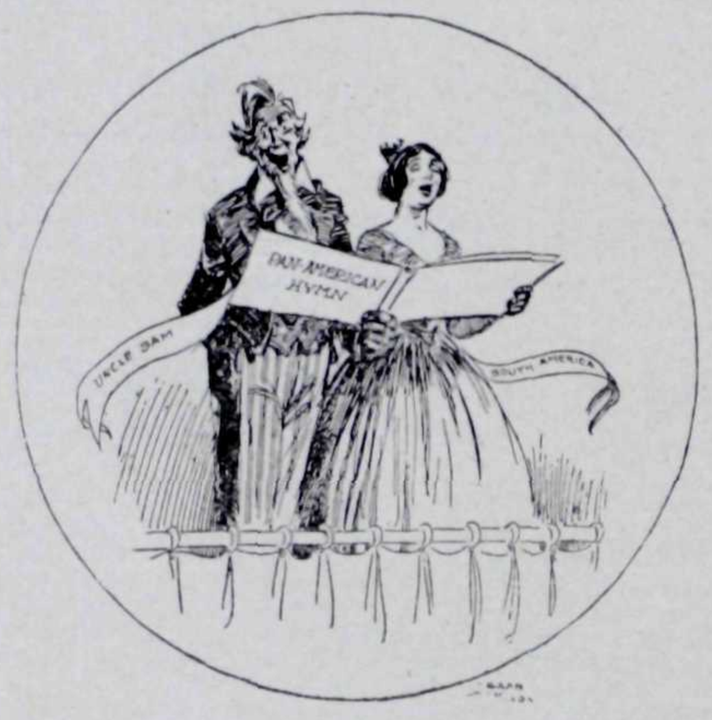
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Remaking the World's Economic Map

A NOTE of caution against over-confidence in the continuance of our present heyday of prosperity may be perceived in the public addresses of the leading men of business throughout the country, as well as in the official government reports and the figures of our trade with the rest of the world. In a statement in answer to numerous questions, made public on January 5, Elbert H. Gary, Chairman of the United States Steel Corporation, said:

> It is time to stop, look and listen. There is great expansion at present. I fear there is great inflation. Some of the circumstances surrounding the financial and industrial world are peculiar and not justified. There will be jars and jolts when eyes are opened and things become normal. We should stop, ponder, reason.

The same warning may be read in the figures of our export trade as they are marshalled and interpreted on another page this month. What we can do is to strengthen and improve the machinery we already have for holding the trade which we now possess and for getting more. The recommendations of the National Chamber in its referendum just taken, point the way for some solid improvements. The economic map of the world is being remade. We should be ready for the final charting.



Complete Harmony in the Pan-American Orchestra

—Williams in the *News* (Indianapolis)

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A Budget and National Efficiency

THOSE governments, whatever their other virtues, which fail to provide adequate budget methods, will neither reach the maximum of efficiency, nor prove to be altogether responsible to the people." These words sum up the introduction to a special number on "Public Budgets" of the Annals of the American Academy of Political and Social Science, just issued. They afford a thought provoking comment on our national situation at the present time. Confronted, as we are, with an almost endless assortment of serious questions—army and navy preparedness, the tariff, changes in our foreign policy, conservation measures—all involving the expenditure of enormous sums of money, yet last month a special committee of Congress entrusted with the plans for the establishment of a budget system, decided to abandon the idea, at least for the present session. It has been said that, in providing the financial sinews of war for our country, we have heretofore been prone to ignore hard facts and deal in "sanguine expectation rather than in actual probability." A budget would not permit us to escape the hard facts.

Why You Should Attend the Annual Meeting

By JOHN H. FAHEY
President of the Chamber of Commerce of the United States

IT has been well said that the sun will never rise again on the world as it was on the 31st day of July, 1914.

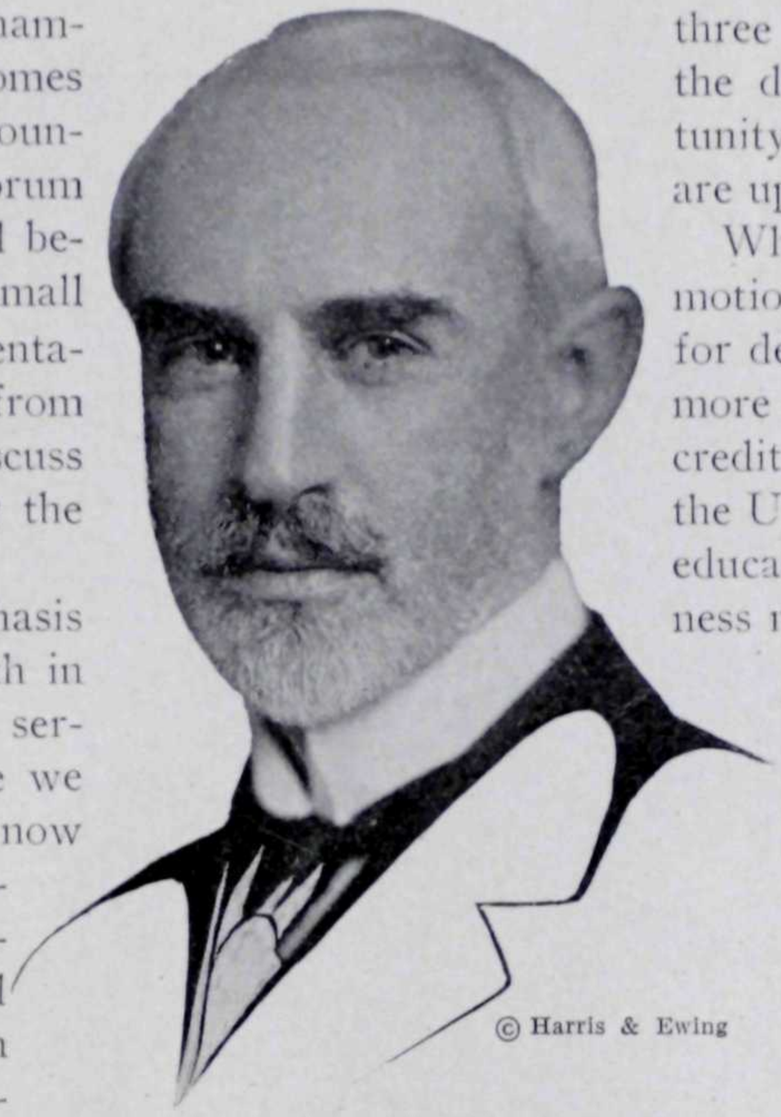
The results of the present tremendous conflict will be so far-reaching that it is almost impossible for the human mind to imagine the manifold directions in which they will appear.

What will be the effect on this country, what will be our position in the new world to be put together following peace?

Commerce has always been one of the greatest impelling forces in the development of civilization. What will be its influences for the next generation?

With a thousand questions of unprecedented importance confronting American business men, was there ever a time when there was greater need of taking advantage of opportunities for common counsel; for trying to comprehend the changes that are taking place and their significance to us?

The Fourth Annual Meeting of the Chamber of Commerce of the United States comes at a crucial period in the history of our country. It represents a great common forum for business such as we have never had before. It is not merely a meeting of small groups. It is a council of the representatives of varied commercial interests from all sections of the land assembled to discuss the very biggest questions confronting the nation's business.



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John H. Fahey, President of the Chamber of Commerce of the United States

Today we are placing greater emphasis than ever on the education of our youth in schools and universities for practical service in every day business life. While we are doing this, however, we who are now charged with the responsibility of conducting the nation's business enterprises should not neglect the educational possibilities for ourselves which are open to us through the opportunity of exchanging ideas with our fellows. There is no more valuable clearing house of business intelligence than that presented by a great conference such as the National Chamber's Fourth Annual Meeting will be. The intense interest of it all has been impressed on every one attending preceding meetings and no thoughtful business man has gone back home without the feeling that he was repaid many times over for the time given and the slight expense involved.

Too long business men thought they did not have time for such gatherings. Now, however, they are realizing that the consideration of the large problems which react nationally and internationally is just as important as many of the details to which they give attention in their daily routine. The American business man can no longer keep his gaze fixed on the top of his desk and what passes over it. His range of vision must now extend far afield, if he is to see clearly many developments of vital concern to him.

The promotion of the commerce of the country and its protection are greatly influenced by its law making. The present session of Congress is one of the most important in all our national history in the fundamental character of measures pending. For years business men have complained that their views have not been sufficiently considered in the making of laws involving our commerce. The truth is that this condition has been largely due to our own indifference and neglect, but now that we have brought hundreds of business organizations together in a great federation capable of responsibility expressing the views of business men on national questions, we can find no fault if we fail to utilize the opportunity which it provides.

The foremost authorities of the nation in public and business life will address the meetings of the Chamber on the three days of its sessions, February 8-9-10, and the delegates themselves will have full opportunity for discussion of the questions which are up.

What steps should now be taken for the promotion of our merchant marine? With the need for developing our agriculture more rapidly and more efficiently than ever before, what type of credit can best serve the agricultural interests of the United States? With the demand for better education of our youth, what part should business men play in the evolution of a constructive national program? With impending changes affecting the world tariffs after the war, can we longer delay in the creation of a scientific, permanent Tariff Commission? What are the changes to come affecting our immigration and what should we do with the alien population we now have, to knit it more closely into the American fabric? What added facilities do we most need for the development of our trade abroad from now on? When the great conflict in Europe is over there will come a number of new political and economic alignments, new groupings, not only political but economic. These will be cemented by new commercial treaties and by new and scientific tariffs. We must see to it that the United States is a part of this new order, that it occupies the place which is its due when the new order begins. It is particularly the task of the American business man to take thought in these matters and to know how the coming world changes will affect him.

These questions are not purely academic. The right answers are vital to every business man. That *you* should understand them, that *you* should express *your* ideas concerning them is *your* duty not alone to your own business but to the country as a whole at this time when sound judgment and real vision are most needed.

FOURTH ANNUAL MEETING

OF THE

Chamber of Commerce of the United States

PRELIMINARY PROGRAM

The work of the Program Committee has not been fully completed and some changes are still pending determination. It is subject to final approval by the National Council on February 7. All sessions except those on Thursday, February 10, will be held at the New Willard Hotel

Tuesday, February 8th

FIRST SESSION, 11 A. M.

Appointment of Convention Committees
Report of the National Council
Report of the Board of Directors
Report of the Treasurer
Address by John H. Fahey, President of the Chamber

SECOND SESSION, 2 P. M.

Reports of the following committees:
Rural Credits—Hon. Myron T. Herrick
Merchant Marine—Hon. William H. Douglas
Seamen's Act—R. G. Rhett
Tariff Commission—Daniel P. Morse

THIRD SESSION, 8 P. M.

"Vocational Education"—Hon. William C. Redfield, Secretary of Commerce
"Employment Managers"—Ernest F. Nichols, President of Dartmouth College
"The Railroad Situation"—An eminent railroad authority.

Wednesday, February 9th

FIRST SESSION, 10 A. M.

FOREIGN TRADE

Addresses by prominent authorities
Discussion

SECOND SESSION, 2:30 P. M.

Reports of the followings committees:
National Budget—R. G. Rhett
Labor Exchanges—Charles P. Neill
Education—Frederick A. Geier
Arbitration with Argentina—John H. Fahey
Immigration—Frank Trumbull
Federal Trade—Harry A. Wheeler
Foreign Relations—Hon. Charles H. Sherrill

EVENING, 8 P. M.

No session of the National Chamber. Delegates and guests are invited by the Portland Chamber of Commerce to attend an illustrated lecture on "The Columbia Highway," followed by a "Smoker" at the New Willard Hotel

Thursday, February 10th

FIRST SESSION, 10 A. M.

Election of Officers

Proposed Constitutional Amendment to give the President power to veto separate items of appropriation bills—William C. Breed, representing the Merchants' Association of New York

Report of the Committee on Resolutions

Reports of the following committees:
Advisory Committee to Organization Service Bureau—S. Christy Mead
Statistics and Standards—A. W. Douglas
Maintenance of Resale Prices—Paul T. Cherington

SECOND SESSION, 2:30 P. M.

"NATIONAL DEFENSE"—The Secretary of War and the Secretary of the Navy
Report of the Chamber's Committee on National Defense

ANNUAL BANQUET AT THE NEW WILLARD HOTEL. THURSDAY EVENING, FEBRUARY 10, 8 P. M.,

THE PRESIDENT OF THE UNITED STATES

Resolutions to be Presented at the Annual Meeting

THE morning of Thursday, February 10, the last day of the Annual Meeting, will be taken up largely with consideration of the report of the Committee on Resolutions. The By Laws of the Chamber prescribe that resolutions to be acted upon at an annual meeting must be submitted at least 40 days in advance.

The questions submitted by the organization members, in accordance with this provision, include the following: Two on the improvement of banking facilities, submitted by the Cincinnati Chamber of Commerce; the establishment of a special committee of the Chamber on Civil Service and superannuation pensions, by the Chicago Association of Commerce; a uniform national law for the incorporation of enterprises for foreign trade, by the Providence Chamber; for a revision of the tariff to meet the menace of dumping, by the Pittsburgh Chamber; opposition to any legislation "restricting the determination of standards of efficiency" (referring to the so-called Deitrick Amendment, regarding scientific shop management in government departments upon which the Chamber of Commerce has already gone on record), submitted by the Boston Chamber of Commerce; for various improvements in our governmental machinery to make possible a real American merchant marine, the Chicago Association of Commerce; for the "immediate and unconditional" repeal of the Seamen's Law and the enactment of a comprehensive merchant marine law, the Philadelphia Bourse; for the investigation of franking privileges in the Post Office, by the Cincinnati Chamber; various improvements in the pure food laws, by the National Association of Master Bakers and the National Millers Federation; for change in the method of regulating railroads, by the Philadelphia Bourse;" for the investigation of the need, field and scope of state chambers of commerce and their possible standardization, by the New Jersey State Chamber, the Cleveland Chamber, the Greater Dayton Association, the Grand Rapids Association, and the Great Falls, Montana, Commercial Club; against the federal control and operation of telegraph and telephone systems of the country, by the Philadelphia Bourse; for the building and maintenance of a system of highways, the opening of river transportation, the development of manufacturing enterprises, and other steps in the direction of "preparedness as a means of defense of our country" the Rome, N. Y., Chamber of Commerce; a systematic compilation of statistics concerning waterways traffic, by the Philadelphia Bourse.

What We Owe to Our National Parks

By ENOS MILLS*

"Father of the National Parks."

SCENERY is one of the richest assets of a nation. With our own it is one of the least used. Scenery has higher value than gold. The nation that destroys its scenery is doomed. Moreover, people need to play and to play outdoors. Parks are the people's national playgrounds, the garden spots of the country, the lungs of the city.

Our splendid national parks, if properly developed, would become an inexhaustible source of wealth. They would be the means of encouraging health, giving recreation, fostering patriotism and promoting nation-wide unity. Scenery belongs to the people and they will not love an ugly country. Parks will keep the nation young. They will encourage travel, help do away with prejudice and make people acquainted. They can be made our outdoor universities.



On the Road to Paradise Park, Rainier National Park

Our parks are the most beautiful on earth. The Yellowstone Park contains more geysers than the remainder of the known world, with petrified forests not rivalled by any others yet discovered and with the largest bird and wild life reservation in the world. The Yosemite National Park contains the Yosemite valley, in many respects the rarest combination of magnificence and beauty known. The Sequoia National Park contains the largest and oldest trees in the world. The Rocky Mountain National Park presents the characteristic features of the Rocky Mountains at their best—high peaks, small but beautiful glacier lakes and extensive but easily read glacier wreckage. The Mount Rainier National Park consists of one peak, Mount Rainier, a steaming, sleeping volcano, with more than fifty square miles of glacial ice on its head and shoulders.

There are thirteen national parks and thirty-one national monuments in our country. All these reservations were established because of their striking scenic and scientific features, and for the part that they may take in matters of education. The parks were each created by a separate act of Congress, while the monuments, though really set aside for the same purpose as the parks, were each established by a presidential proclamation and can be abolished by a presidential proclamation.

There are also numerous forest reservations. These should not be confused with the national monuments or the national parks. The national forests are a commercial proposition established for the purpose of producing timber and grass, and their recreational and scientific features are wholly incidental.

Although these parks and monuments were established and the parks given over to the charge of the Secretary of the Interior, and most of the monuments turned over to him, there have never been received legislative enactments by Congress to tell him how these should be managed or to give him authority to manage them as he sees fit. Each of the parks was created under a separate piece of legislation somewhat different from the legislation which created each of the other parks. Thus each park necessarily has to be managed by itself. Hence, in order to facilitate efficient management of all these places, there is a general need that there be created what may be called a National Park Service or Bureau, with a director at the head who will have authority to develop and administer them. If the national parks and monuments are to be used for recreational, scientific and educational purposes, it will be necessary to develop them so that people can readily have access to their many attractions. They need roads, trails and hotels and transportation facilities. That these roads, trails and buildings may be established without marring the scenery and that the parks may be administered without annoyance to the visitor, it is important to have a centralized management.

If these parks and monuments receive development and businesslike management they will be a business proposition. In 1913, a very careful and conservative estimate indicates, Americans spent $350,000,000 abroad. With the increase of their population and wealth the people of the United States are acquiring the travel habit. They are finding interest in outdoor life and this is being facilitated by better roads and by the automobile. American travelers have been going abroad to places ready for the traveler. With our national parks ready, they are very likely to attract many tourists.

There are thirteen national parks at the present time,—Yellowstone, in Montana and Idaho; Yosemite, Sequoia and General Grant, in California; Mount Rainier, in Washington; Crater Lake, in Oregon; Wind Cave, in South Dakota; Sully's Hill, in North Dakota; Platt, in Oklahoma; Mesa Verde, in Colorado; Glacier, in Montana; Rocky Mountain, in Colorado, and Hot Springs Reservation, in Arkansas.

While national parks and monuments contain unrivalled scenic attractions they are also bird and wild life preserves. Then all are dowered with a delightful climate. They have within them the very things that the traveler and vacation "tripper" want to enjoy.

Switzerland has become wealthy by the effective exploiting of her scenery. She prepared by establishing a national park system several years ago. Australia and New Zealand are also planning such systems. What they can do, we can do.

* Mr. Mills is often referred to as the "Father of the National Parks." Traveler, nature lover, lecturer, he has devoted many years to the advocacy of protection for birds and wild flowers and to the development of the National Parks.

The Government and the Sherman Law

The National Chamber Secures an Authoritative Statement from the Attorney General

SINCE the enactment by Congress of the Federal Trade Commission Law and the Clayton Law, the Federal Trade Committee of the National Chamber has been repeatedly questioned not only as to the relationship which it might be expected would be established between the Department of Justice and the Federal Trade Commission at points where jurisdiction seems to overlap, but also as to the probable attitude of the Department of Justice with respect to future proceedings.

It was explained to the Attorney-General by the representatives of the National Chamber that, if he would express himself on these points it might be regarded as reassuring to the public mind and dispel some of the uncertainty which has heretofore existed. Several interviews between the Attorney General and the National Chamber's Federal Trade Committee brought out the point of view of the Department of Justice.

Attorney General's Statement

By way of introduction, the Attorney General expressed the view that much of the misunderstanding that exists in some quarters in relation to the Sherman Act is due to the fact that, in the minds of many, it has come to be thought of as a statute apart from the general body of laws—one by nature unlike other laws, especially as regards the function and duty of those charged with its enforcement.

This, he pointed out, is not the case at all. On the contrary, the Sherman Act is enforced by the Department of Justice in the same manner and according to the same rules of policy as other statutes—with the same care and with neither more nor less rigor. Plain or intentional violations are proceeded against vigorously as under other statutes. When, as with all statutes, doubtful cases arise in which there was no intent to violate the law, they are dealt with just as similar cases under other statutes are dealt with, that is, with a view to enforcing strict compliance with the law, but without unnecessarily stigmatizing or unnecessarily burdening with litigation persons who have been honestly mistaken as to the law and who stand ready to rectify their mistake.



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Attorney General Gregory

Another cause of this misunderstanding, said the Attorney General, is the persistent misrepresentation to which the Sherman Act has been subjected by propagandists who are opposed to the competitive principle and who seek to undermine that principle by attempting to create in the public mind misgivings and confusion both as to the meaning and as to the manner of enforcing the law embodying it.

Four points were then taken up: (1) The complaint that the law is uncertain; (2) The policy of the Department of Justice as regards the method of enforcing the law in admittedly doubtful cases; (3) The means adopted by the Department to guard against unjust prosecutions; (4) The policy of the Department in cases where it and the Federal Trade Commission are both charged with the enforcement of the law.

Concerning the first point, the Attorney General stated that, while concededly there is in the law of restraint of trade an area of doubt, in the vast majority of cases it is not difficult to tell whether a proposed transaction is or is not in violation of the statute, and the doubt is certainly no greater than that which is accepted as a matter of course in the application of other laws. Such doubt as there is, he further stated, will be greatly reduced by decisions in the Shipping Pool Case, the Anthracite Coal Cases, the Harvester Case, the Steel Case, and the United Shoe Machinery Case, which are now pending in the Supreme Court.



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Harry A. Wheeler

Chairman of the National Chamber's Committee on the Federal Trade Commission

This led to the question as to the policy of the Department as regards the method of enforcing the law in those cases which are admittedly doubtful. On that point the Attorney General stated that, where men have entered into a transaction believing in good faith that the transaction is a lawful one, and, subsequently, upon complaint made, the Department reaches the conclusion that the transaction was not in accordance with the statute, but is yet satisfied of the good faith and innocent purpose of the partiees and can see that there was ground for the view of the law upon which they acted, it has not been and would not be the policy of the Department to invoke extreme penalties against them.

In such a case the Department would consider that the just and appropriate and quickest way of enforcing the law would be by a civil proceeding in which the question involved would be contested or a consent decree entered,—according as the defendants desired,—or by a notice to the parties of the Department's conclusion with opportunity to abandon or modify the transaction.

The choice as between these two procedures would be determined by the circumstances of the particular case. The Attorney General claimed no originality for this policy. On the contrary, he stated that it was neither original nor peculiar to the Anti-Trust Law but is the policy of the Department and prosecuting authorities generally in the enforcement of all laws.

As to the Federal Trade Commission

In this connection the attention of the Attorney General was called to para-

graph E of Section 6 of the Federal Trade Commission Law which authorizes the Commission, "upon application of the Attorney General, to investigate and to make recommendations for the readjustment of the business of any corporation alleged to be violating the Anti-Trust Acts, in order that the corporation may thereafter maintain its organization, management and conduct of business in accordance with law." He was asked whether he could state what the policy of the Department of Justice would be with regard to invoking that provision.

He replied that while he felt certain that this would prove to be a most serviceable provision in solving practical questions which often arise in the enforcement of the Anti-Trust Laws, it was as yet too early, in his judgment, to attempt to particularize as to the cases in which the Department of Justice should call upon the Trade Commission for assistance under this provision. Speaking generally, he stated that he did not understand that the provision contemplated that he should refer to the Commission the question whether the law had been violated in a given case, but rather questions of the feasibility, adequacy or advisability of proposed remedies from a practical standpoint. Where questions of the latter sort do not arise, or where they arise in a form which presents no difficulty, no purpose would be served, of course, by having the parties go over the same ground before the Commission that had already been gone over before the Department.

On the other hand, where in working out the remedy in a particular case difficult questions of business organization and of finance shall be encountered, it will be the desire and the policy of the Department to seek the assistance of the Trade Commission. In two recent cases which have arisen where courts have declared the combinations assailed to be unlawful, the Department has proposed to the courts that the assistance of the Trade Commission be sought in working out plans of dissolution.

The discussion then turned to the measures taken by the Department to guard against prosecutions for which there is no just ground. On this point the Attorney General stated that no proceeding is ever instituted until after the most painstaking and exhaustive investigation of the facts which it is possible to make. As a part of this inquiry, the person or corporation against whom complaint is made,—unless it has already declared its attitude,—is given full opportunity to submit its defense before any action is taken. This is done, he pointed out, not only as a matter of justice to those against whom complaints are made, but as a matter of prudence on the part of the Department, for, least of all, has the Department any interest in instituting a suit which should subsequently turn out to be without foundation.



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Chairman Davies of the Federal Trade Commission

As to its policy in cases where both the Department and the Federal Trade Commission are charged with the enforcement of the law, as under the Clayton Act, the Attorney General stated that the Department would, in general, be guided by the principle which governs the Federal and the State courts in cases where they have concurrent jurisdiction. That is to say, in any such case, if the Federal Trade Commission were the first to exercise jurisdiction, the Department of Justice would await the conclusion of the Commission's proceedings before taking any action, unless special circumstances should dictate a different course.



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The Home of the Department of Justice, Formerly Several Private Residences

The Chamber's Federal Trade Committee

The organizations in the National Chamber declared, Referendum No. 7, for the creation of an Interstate Trade Commission. On September 26, 1914, the President approved the bill which established a Federal Trade Commission and on March 16 following the commission was formally organized. At the Third Annual Meeting of the National Chamber, in February last, the Federal Trade Committee was organized. "We realize," said President Fahey, "what a tremendous task there is before the Federal Trade Commission. The members of the National Chamber wish to do everything in their power to assist the commission." The idea of the Chamber, he continued, is "to obtain the services in the committee of prominent and able men who have the disposition and will be able to give their time to the important work." This Committee consists of nine members,—Harry A. Wheeler of Chicago, Alfred B. Koch of Toledo, Rush C. Butler of Chicago, W. L. Saunders of New York, Guy E. Tripp of New York, Henry R. Seager of New York, Alexander W. Smith of Atlanta, Joseph P. Cotton of New York, and Dr. I. C. White of Morgantown, West Virginia.

The purpose of this Committee is to study the jurisdiction of the Trade Commission and to confer with it. On April 17, the Committee had its first conference with the Commission at Washington and has been kept constantly in close touch with the activities of the Commission through the Chamber's National headquarters. During the early stages of the legislation creating the Federal Trade Commission, details were followed in the Legislative Bulletins of the Chamber. On May 20, Federal Trade Commission Bulletin Number 1 was issued by the National Chamber, devoted exclusively to the activities of the Commission and issued as frequently as there is information to publish. Five have so far been brought out. On January 9 the Chamber's Committee held its third meeting and afterwards issued a statement regarding its interviews with the Department of Justice, which is given on this and the preceding page.

Real Beginning of the New Congress

Public Domain—Water Power—Immigration—Dye Stuffs—Committee Hearings

FOR the time being Congress is without a programme. Appropriation bills, plans for development of the army and navy, and means for raising increased revenue remain under consideration in committees. Meanwhile, the bills which have been reported from committee, and are consequently ready for debate upon the floor of the House or Senate, are mostly measures which came over from the last Congress.

The Public Domain

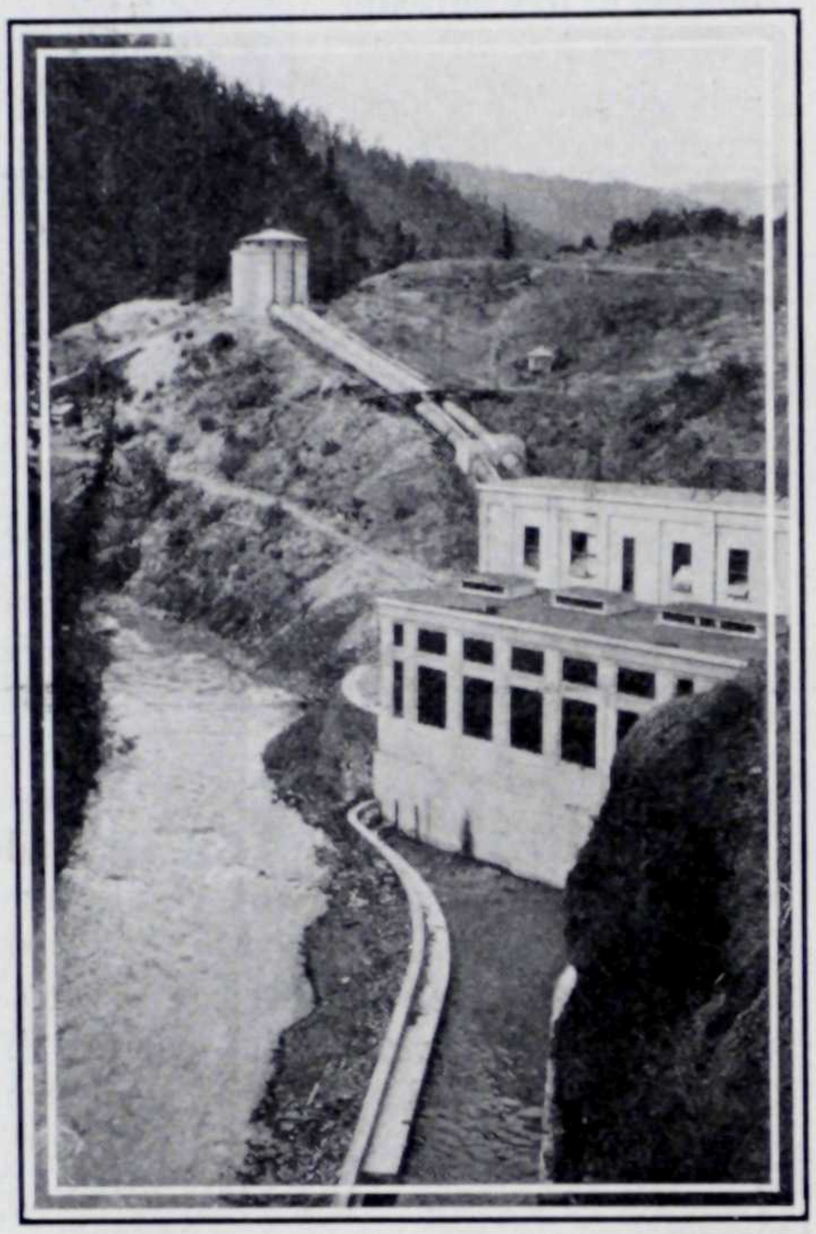
The proprietary interest of the United States in lands lying within the western States remains extensive. The eleven States west of Kansas and the Dakotas have an area of 753,000,000 acres of which the United States, as owner and not as sovereign, continues to hold more than half.

All the important laws, except those dealing primarily with agricultural lands, under which the Government transfers its ownership to private persons, are now, in one way or another, under consideration by Congress. For revision and codification of the mining laws the Senate has already passed a bill which proposes a commission. At this writing a bill is under debate in the House which, so far as coal, oil and phosphate areas remain in the public domain, will substitute a system of leases from the Federal government for the method heretofore used in transferring public lands to private ownership—transfer of the fee, and consequent termination of all the Government's rights of ownership. Last year, the principle of leasing was first accepted by Congress for Alaskan coal lands.

The Question of Water Powers

To public lands which are so situated as to control the development of waterpowers this new principle would be applied by a bill which passed the House on January 8. In other words, as to these lands the United States would retain the full title, becoming a lessor and as such receiving rentals. This change in policy is advocated as in the public interest, on the ground that the utilization of waterpowers can be enforced, the possibility of future municipal, state, or national operation can be kept open, and the proceeds of rentals will constitute a fund for the progressive reclamation of other lands.

The two essential points of the policy—leasing of public lands and yearly compensation to the Government for their use—the western States generally oppose on principle. In the early part of 1915 the legislature of Oregon invited other western States to join in a conference at Portland, in September. This conference adopted resolutions which declare the leasing policy is contrary to the constitutional rights of the States in which the lands are situated and advocating not only that the former policy should be continued but that the proprietary rights of the United States should be made subject to the powers of



A Typical Western Water-Power

White Salmon plant, Klickitat County, Washington. Partly developed, showing diversified country in which western water powers are so generally located.

eminent domain of these states. A minority of the delegates appear to have supported the leasing system.

The waterpower bill passed the House without an aye-and-nay vote. In the Senate, where the representation of western States is proportionately larger than in the House, the bill may be expected to meet increased opposition, and to be amended in some ways. In order to emphasize the western point of view the members of Congress from one western State have arranged for a lecture in Washington on the subject of water-powers, illustrated with motion pictures, with a popular appeal.

The Present Land Law

Until 1901 tracts of the public lands controlling waterpowers were acquired as parts of agricultural homesteads, or were purchased, without any obligation to proceed to development. A law then authorized the Secretary of the Interior to grant permits for the occupancy of public lands for power sites and transmission lines, the permits being revocable at any time. In 1911 a law stated that these permits, so far as they concerned National Forests, in which many of the sites lie, might be for terms of 50 years, but left them terminable at any time within the term. This possibility of revocation is said to have impaired the usefulness of the law. The proposal which is pending in the present Congress in reality substitutes a lease, which may be terminated within its period only for stated causes.

Other Water Powers

Not because of proprietary interest but by virtue of constitutional control over navigable waters, the United States has an interest in waterpowers on the navigable streams of the country, in the East as well as the West. Regarding these waterpowers there was legislation in 1906, and extensive amendments have been proposed for several years which are now on the point of debate. In this field the laws are administered by the Secretary of War. When public lands, and not navigable rivers, are concerned, the Secretary of the Interior has been given jurisdiction.

Power at Niagara Falls

The waterpower at Niagara Falls raises international questions, and in 1909 it became the subject of a treaty with Great Britain which limits the amount of water that may be diverted above the falls, in order that the flow over the falls may not be appreciably diminished. Early hearings are to be held regarding legislation affecting the regulation of water diversion under the treaty.

In the House, three different committees consider legislation dealing with the waterpowers which have been mentioned,—the Committee on Public Lands, the Committee on Interstate and Foreign

Commerce, and the Committee on Foreign Affairs.

Managers of industrial enterprises, skilled and unskilled workmen, social workers, and many other persons are studying the effects the end of the European war will have upon immigration to the United States. For the time being immigration has been reduced to one-fourth the volume before the European war and to a level lower than in any year since 1899. In order to meet any situation which may develop the Commissioner General of Immigration is once more urging enactment of new administrative provisions, the need of which has been felt for years. In February, 1913, the President vetoed a comprehensive bill containing the new provisions which are needed, acting adversely because a "literacy test" had been included. For the same reason a similar bill was vetoed in January, 1915. Hearings are now to be held for the purpose of drafting a new bill. Whether or not it will contain a "literacy test," of course, cannot be foretold.

The Problem of Coal-Tar Dyes

As this number of THE NATION'S BUSINESS goes to press, the House Committee on Ways and Means,—the great tariff-making instrumentality of Congress,—is conducting hearings regarding the advisability of so increasing duties on imports of coal-tar dyes as to protect from destructive competition from abroad, after the close of the European war, the dye-making industry which is now being created in the United States. Directly or indirectly seventy or eighty industries which use dyes, and are having difficulties in meeting their requirements, will be represented before the committee.

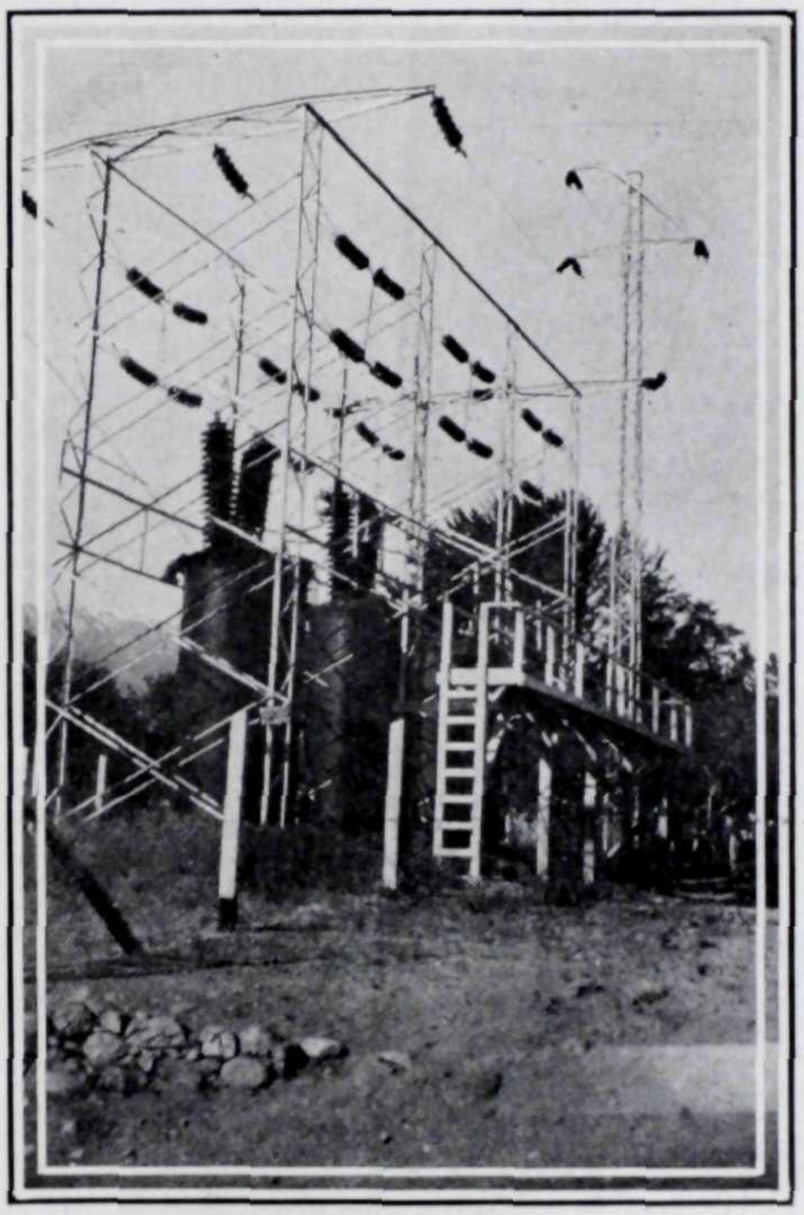
At the same time the Bureau of Foreign and Domestic Commerce published its statement of the present condition of dye-making in America. According to the Bureau, American-made dyes derived from coal-tar are now being produced in a volume five times as great as before the European war, and approximately half enough coal-tar colors are being made to fulfill the American demand. These comparisons are said to indicate much less than the real growth of the American industry; for before the war intermediate products of coal-tar were imported, whereas now these "intermediates," as well as the finished colors, are made in the United States.

An American Dyestuff Industry—?

Seventeen firms in the United States are said at present to be making "intermediates" from coal-tar and twelve are turning out colors ready for use. Investments in the industry appear to be on a permanent basis, and the firms now active expect to continue after the European war has ceased. That new legislation to guard American dye makers from unfair, foreign competition in the markets of the United States is to be enacted seems to be agreed upon all hands. Whether or not the House Committee will recommend increased duties for this purpose had not—when these lines were written—been definitely determined.

Plans for New Taxation

That new internal revenue taxes will have to be levied by Congress admits of no dispute. The taxes which will be selected, however, have not been determined. About committee rooms, of both House and Senate, many taxes are informally discussed, without opinion crystallizing in any particular way, except to the effect that some increased revenue is to be obtained through the income tax.



Transmission of a Great Water Power

The transmission line terminals and transfers of the power plant of the Nevada-California Power Company, Bishop's Creek, in the Inyo National Forest, California.

On January 15 the Secretary of the Treasury and a number of Members of the House were arranging to confer informally regarding the new taxes which should be proposed. Public announcemest of revenue plans will scarcely occur before February.

The Ship-Purchase Bill

No date for introduction of the new form of the Ship-Purchase bill which failed last year, and no exact indication of its contents has been announced. If such a bill is brought forward, the House Committee on Merchant Marine will, at least according to earlier plans, begin hearings on a bill for regulation of ocean transportation. As yet the committee, which would also have jurisdiction over the Ship-Purchase bill, has announced no such hearings.

British Shipping Statistics

British shipping statistics continue broadly representative of world-wide conditions, and are accordngly apposite for any discussion of the Ship Purchase bill. Data published in London at the end of December set the present price of a 7,500-ton cargo, steamer at $625,000, whereas in 1914 it was $212,000, $180,000 in 1908, and $300,000 in 1900, when the last period of high freight rates, and high prices, occurred in ocean transportation.

If the freight rates of 1900 are taken as a standard, the rates to England touched 58% of normal in 1908, were at 78% of normal when the European war began, and have since gone upwards of 282% of normal.

British Marine Earnings

The financial statements of 82 British companies which operate cargo steamers,—585 vessels in all,—indicate that in 1915 they made a profit of $20,000,000, or 25% of the book value of their steamers, that they declared dividends averaging eleven and one-half per cent, and transferred still larger amounts to depreciation accounts.

The earnings of these companies in 1913,—a boom year,—were still larger, however, than in 1915. The dividends earned in 1915 were 22%, but in 1913 they were 30%, and 19% in 1914; these percentages represent net earnings after 5% for depreciation. If all British companies with cargo steamers have set aside in 1915 the same proportionate amounts for depreciation as the 82 in question, something like $60,000,000 has been placed in their reserves to meet the exigencies of future years.

British companies with passenger steamers have been somewhat less prosperous than the cargo companies; twenty-three passenger companies, operating 895 steamers, declared dividends averaging 8% in 1915.

Is the Senate in Favor of a Tariff Commission?

The Growing Sentiment as Shown in an Animated Debate

THE Senate of the United States devoted several hours on January 10 to an animated discussion of the subject of a Tariff Commission.

Senator Newlands, of Nevada, in a stirring speech on the record of the Democratic Party, outlined a proposed legislative program. He spoke of the dangers arising from the threatened dumping which many fol low the European war. It is doubtful, he contended, whether such a process of cheap sales, "unaccompanied by proof of conspiracy to depress or control our markets," can be "antagonized by the exercise of the powers of the Trade Commission regarding fair competition."

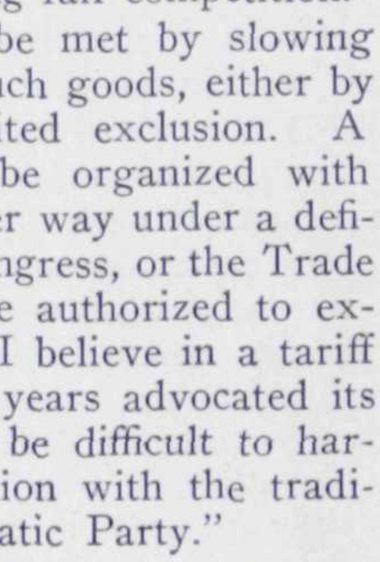


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Senator Newlands of Nevada

"It possibly can be met by slowing down the entry of such goods, either by taxation or by limited exclusion. A tariff board could be organized with power to act in either way under a definite rule fixed by Congress, or the Trade Commission could be authorized to exercise such power. I believe in a tariff board and have for years advocated its creation, but it will be difficult to harmonize such legislation with the traditions of the Democratic Party."

In conclusion, the Senator urged as an item in his constructive program for the present session, "the grant to the Federal Trade Commission of all the powers of a needed tariff board, including, in addition to the powers of investigation, publicity, and recommendation, the power to protect, under a rule fixed by Congress, American industries against the combination or action, of foreign producers and traders intended to unduly displace the products of American industry in our own markets."



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Senator Owen, of Oklahoma

Following Senator Newlands, Senator Owen, of Oklahoma, declared that he believed the welfare of the United States "required the establishment of a non-partisan Tariff Commission."

"I wish to say that the establishment of such a non-partisan Tariff Commission which was referred to by the Senator from Nevada [Mr. Newlands] in his remarks just made, can be carried out upon lines which are entirely harmonious with the policies heretofore pursued by the Democracy. It is not necessary that such a commission should be constructed upon the avowed theory of the so-called 'protective' tariff. There are abundant reasons why such a commission should be established, regardless of whether a man believes in a protective tariff or whether he does not."

Referring to the practical impossibility of Senators and Representatives investigating thoroughly for themselves the questions of fact to be determined in connection with the formulation of a tariff, Senator Owen said:

"For that reason, therefore, a tariff commission is perfectly justified, in order to ascertain the truth with regard to these items on the schedules and in order to keep Members of Congress informed of the changing factors which enter into these questions, because they are going through a constant flux."



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Senator Lewis, of Illinois

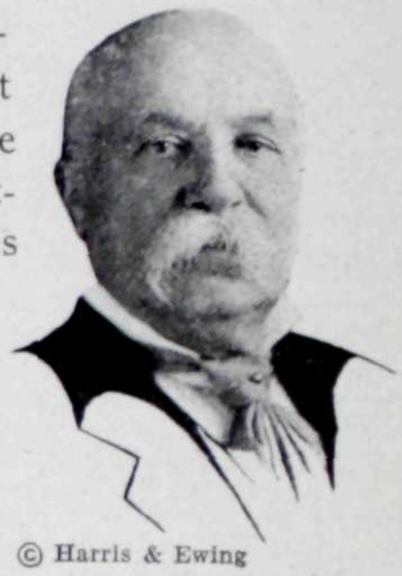
Senator Lewis, of Illinois, reminded his colleagues that the question of the functions of a tariff commission had been debated on both sides of the Senate at the time of the creation of the Federal Trade Commission. He asked:

"Does the Senate see anything incompatible with the duties of the Federal Trade Commission, as now prescribed by law, from that board entering into duties such as he has defined and which he regards appropriate and necessary for something called a tariff commission?"

Replying in the affirmative, Mr. Owen declared that, in his opinion, the Federal Trade Commission cannot serve as a tariff commission, because

"it is not humanly possible for the present Trade Commission to perform its present function completely, much less undertake this work, which will require the entire time of laborious and expert men to ascertain the facts and the factors governing the cost of manufacture and cost of distribution."

Senator Gallinger, of New Hampshire, inquired whether Mr. Owen recommended that, "having ascertained the facts, the proposed commission should then submit these facts to the Executive Department and that then the Executive Department should change the rates of duty," making what, in his opinion, was a real point against a commission that it would delegate to the Executive Department some Congressional functions: "I don't see why a tariff commission should come in to instruct the Executive Department." Senator Owen, expressing confidence in the President and denying that it would be in any way unconstitutional for the Legislative branch of the Government to "fix a maximum and a minimum within which reciprocal arrangements might be made," declared:

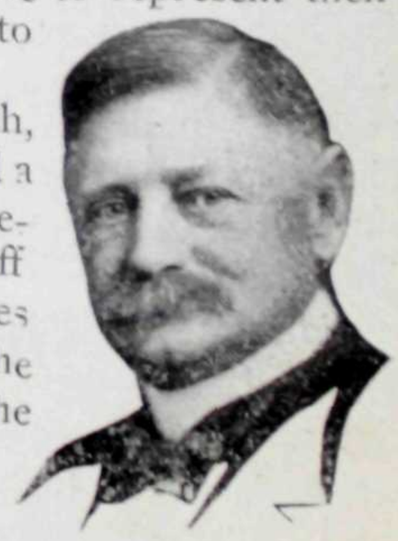


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Senator Gallinger, of New Hampshire

"It is my opinion that, when the legislative branch of the government exercises this legislative function and declares a maximum and minimum rate, within which the tariff shall be mobile and within which the executive shall be authorized to make these reciprocal agreements, the legislative branch has given an instruction to carry out the legislative will within certain limited lines, and that the Executive, in discharging that function, will be performing an executive duty put upon the Executive by the legislative branch. I am willing to trust any President whom the people of the United States may at any time put into the White House to represent their wishes in regard to such matters."

Senator Shafroth, of Colorado, offered a statement that the necessity for a Tariff Commission arises from the fact that the state of trade and the different conditions "are so intricate and involve such an enormous amount of study that it would be

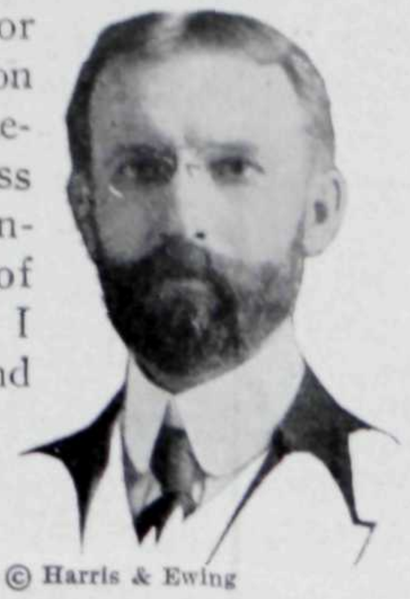


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Senator Shafroth, of Colorado

impossible for executive officers charged with the duties which they now have of ascertaining the proper rates that might be required to perform that function."

Senator Sutherland, of Utah, expressed himself as believing that "we would have no difficulty in providing for a tariff commission to gather facts, present them to Congress and make recommendations. That sort of a tariff commission I am in favor of and have always been in favor of."



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Senator Sutherland, of Utah

Expressing his approval of such a tariff commission "rather than none at all," Senator Owen rejoined that he would like to have a commission that "would enable the President of the United States to exercise some authority in promoting those international agreements one by one, and day by day, as the occasion should occur, in order to enlarge our foreign commerce to as great an extent as possible." He believed that would "enlarge our internal activities and keep our people employed."

Senator Poindexter, of Washington, referring to a plank in the Republican platform of 1908, regarding the difference in cost of production in the United States and in foreign countries, said:

"If the country in the political campaign decides in favor of a protective tariff, as it did decide in that campaign, Congress, in enacting a law to carry out the tariff plank, appoints a commission, not to ascertain what would be a reasonable tariff, not giving the commission any discretion whatever as to raising or lowering rates, but to ascertain the fact of what is the rate on any particular item that represents the difference in the cost of production at home and abroad. It would be an absolutely definite and specific rule, leaving no discretion to the commission, and at the same time it would be a rule under which the tariff would be adjustable to changing conditions, because the facts would be changing from time to time. The costs of production at home and abroad and the difference between them, would be changeable factors; and, as the commission found, upon complaints that might be made to them by those who were particularly interested, that conditions had changed, that the facts had changed, they would then find the new facts. Instead of exercising any discretion in establishing a tariff policy, they would be simply fixing the rate in pursuance of a rule laid down by Congress."

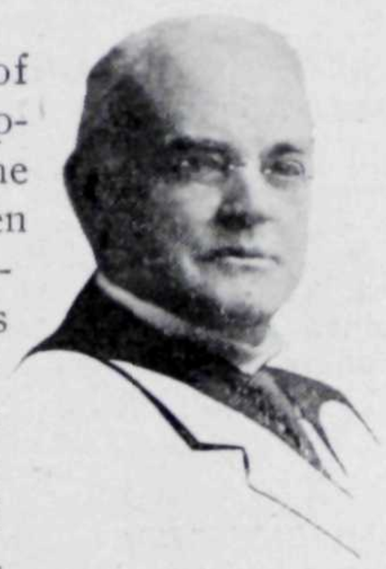


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Senator Poindexter, of Washington

Senator Works, of California, recalled the fact that, in the preceding session of Congress, he had introduced a bill calling for a tariff commission, the bill authorizing such a commission to make necessary investigations and to report to Congress any recommendations for changes in tariff legislation.

"It seemed to me that that was about as far as we could go in vesting power in a commission of that kind; that the act of legislation, or the act of fixing the tariff rate, must be left to Congress. I thoroughly agree with the Senator that there ought to be some means by which we could fix our attention upon any item of tariff legislation where it is found to be in any respect wrong, and change it without having to go over the entire bill as it has been heretofore enacted."



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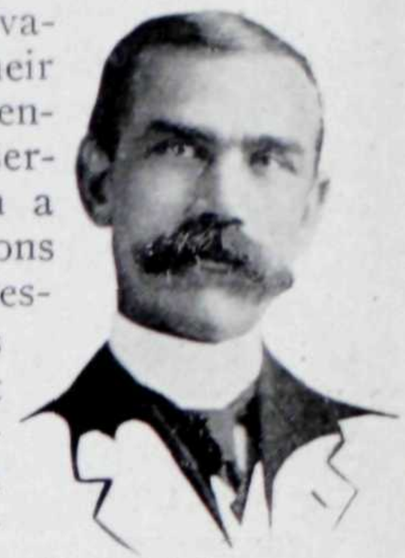
Senator Works, of California

Senator Smoot, of Utah, referred appreciatively to the character of the men appointed by President Taft to his Tariff Board, recalled the fact that it failed to secure the adhesion of Democratic members of the Senate, and proceeded to declare:

"I believe that the proper kind of a tariff commission would be a good thing for this country; but I do not believe that any President of the United States, whether he be Republican or Democrat, ought to have the right to appoint that commission. It ought to be appointed by Congress, be responsible to Congress, report to Congress, and let Congress act upon its report."

Senator Gore, of Oklahoma, in a ringing speech, declared himself in favor of a commission "to ascertain those facts and factors which make up competitive conditions and from which emerge the economic laws that govern trade and commerce." He announced, further that he had always voted for a tariff commission. "Is a tariff commission," he asked, "a better agency for the ascertainment of facts than a congressional committee?

"The commission would be constituted more largely of experts and trained economists. It would be less liable to change with the violent vicissitudes of party politics. It would be less affected by the bias and prejudice of partisan controversy. It would be virtually in continuous session. It could study and record changing conditions while they are changing. It could accumulate and systematize a vast mass of data. It could make continuous observations over a long period of tendencies and relations between varying rates and their effects. It could render a number of services and perform a number of functions to which a congressional committee is not adapted. It is no disparagement to say that a commission is better suited than a committee for the conduct of such investigations, the collection of details and the collation of facts for the analysis and enlightenment of such committee. It is not necessary to say that the old system is the worst system. It is only necessary to prove that it is not the best. To whom has the old method proven satisfactory? Has it established and maintained industrial peace and commercial progress and prosperity? * * * I would have the commission not only investigate tariff rates and tariff changes in this and other countries, but I would also have it investigate internal revenue rates in this and other countries. These taxes are an ingredient of price. They effect competition. * * * If a properly equipped commission were now in existence, it could do much to ascertain whether the dread of dumping be groundless or not. If its fears be unfounded on fact, the commission could dispel them now. If they be founded on facts the commission would be in a position to enlighten the country on the subject, and to enable Congress to avert the danger and allay apprehension on the part of the business community."



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Senator Smoot, of Utah

The Senator concluded:

"The business men of America have a right to ask the establishment of such a commission at the hands of Congress. It is not flattery but justice to say that they have contributed their full share to the development, progress, and prosperity of the New World. It is not prophecy, it is simply coming events casting their light before, to say that they will contribute their full share to that splendid destiny which the future holds in reserve for this Republic."



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Senator Gore, of Oklahoma

Result of the Vote on Referendum No. 10

Suggestions For Improving Our Commercial Service Abroad

THE Chamber of Commerce of the United States is practically unanimous in recommending to Congress the extension of our commercial service abroad and in asking adequate appropriations for realizing this expansion. By a referendum vote just taken, the organizations of business men who make up the membership of the National Chamber have approved the report of the Chamber's committee advocating changes and improvements in the facilities offered by the Bureau of Foreign and Domestic Commerce and the Consular Service.

From the very beginning of its work, the National Chamber has been in close touch with the Department of Commerce, and questions of how best to aid the Department have been the subject of its constant thought. Two years ago (to be exact, on December 23, 1913) the substance of a report made by a special committee of the National Chamber was adopted by a referendum. This committed the Chamber to the support of the new commercial attaches, to an extension of the work of the Bureau of Foreign and Domestic Commerce, and to the advocacy of increased appropriations for the Bureau to carry out the purposes endorsed. This action of the Chamber had great influence in making possible new activities by the Bureau. Much, however, remained to be done.

Last summer, therefore, the special committee of the Chamber on the Department of Commerce drew up a second report recommending still further extension of the activities of the Bureau and the Consular Service. A long article under the title, "Improving our Commercial Service Abroad," setting forth this report in detail, was printed in THE NATION'S BUSINESS for October.

Nine questions, embodying the recommendations in this second report, were submitted to the members of the National Chamber in November. When the vote closed, on December 30, it was found that 307 commercial organizations, chambers of commerce and boards of trade and national trade organizations in 52 states and in our dependencies, as well as American chambers of commerce in Europe, had supported almost unanimously the Chamber's recommendations.

As a result, the National Chamber now stands committed to, and will work for, important changes which will result in the strengthening of the Consular Service in the Department of State and the Bureau of Foreign and Domestic Commerce in the Department of Commerce. An increase in appropriations for headquarters of the Bureau, the appointment of five new commercial attaches (intended to cover Italy, Scandinavia, Spain, Austria-Hungary, Japan and Turkey), are asked for. The National Chamber holds that commercial attaches are properly attached to embassies and legations while, at points where we have no diplomatic representative the trade agent should be properly a trade commissioner.

Furthermore, the creation of the new post of foreign trade commissioner (intended for Australia and New Zealand, South Africa, British India, Greece and the other Balkan States; the East Indies and Central America), the extension of the Civil Service over such appointments as well as over promotions, the furtherance of commerce with Latin-America by increased appropriations, the continuance of the present eight branch district offices of the Bureau and complete Americanization of the Consular Service with adequate clerical assistance, and the establishment of new consulates—these are the specific propositions to which the National Chamber is committed by the vote on Referendum Number 10.

The vote on the separate propositions is given in the ballot on this page.

REFERENDUM No. 10

A

THE WASHINGTON HEADQUARTERS OF THE BUREAU: An increase in staff and appropriations for administration, editorial work, collecting and translating foreign tariffs, distributing information, research and translation, correspondence, and handling files, supplies, etc.

875 in favor; 19 opposed.

B

THE FIELD SERVICE OF BUREAU GENERALLY: Appointment of a director of the field service and enlarged appropriations, with separate appropriations for collection and exploitation of samples, geographical experts at Washington, distribution of American literature abroad, adequacy in reimbursement for traveling expenses abroad, and allowances for living expenses abroad.

869 in favor; 18 opposed.

C

THE FIELD SERVICE OF BUREAU IN LATIN AMERICA: Increased appropriations for immediate and special investigations.

871 in favor; 24 opposed.

D

COMMERCIAL ATTACHES: Appointment of five new commercial attaches and distinction between attaches and trade commissioners.

848 in favor; 23 opposed.

E

TRADE COMMISSIONERS: Creation of the new position of trade commissioner and appointment of commissioners to at least six countries abroad.

860 in favor; 21 opposed.

F

DISTRICT OFFICES OF BUREAU: Continuance of the present eight branch offices under new appropriations.

847 in favor; 38 opposed.

G

CIVIL SERVICE IN BUREAU'S FIELD SERVICE: Appointment and promotion of members of the field service in accordance with the Civil Service Law.

872 in favor; 12 opposed.

H

THE CONSULAR SERVICE: Americanization, adequate clerical assistance, elevation of eleven consular agencies to consulates and establishment of fifteen consulates where there are now no American consular representatives of any sort, and more adequate and frequent inspection of consular offices.

877 in favor; 8 opposed.

I

STATISTICS OF INTERNAL COMMERCE: Renewal of the earlier publication of these statistics by the Bureau, with adequate appropriations.

866 in favor; 25 opposed.

Result of the Vote on Referendum No. 11

Recommendations for Assuring the Future Peace of the World

THE American business man has learned, beyond question, as one esult of the European war, that the conomic modern world is interdepenlent. He has seen the enire economic and financial tructure of the country haken by the crash on the lder continent.

He has come to believe hat, when reason and huanity fail, perhaps the pressure of economic necessity may bring warring nations to reason. A business man's method for averting future conflicts has just been laid before the business men who make up the membership of the National Chamber in the referendum (which closed on December 30) offering a suggested program for the possible settlement of future wars.

By the vote of this referendum, the National Chamber stands committed to the advocacy of six specific proposals which, it is hoped, will, in course of time, do away with all war. Five of these proposals received the endorsement of the voting members, which included 282 commercial organizations, chambers of commerce and boards of trade in forty states and the District of Columbia and Hawaii, and the American chambers of commerce in Berlin and Milan.

In two of the questions the National Chamber asks its members whether they favor the United States suggesting to other nations the establishment of an international court, or a council of conciliation, to adjust disputes which may be settled upon established rules or upon the determination of facts. On these questions the vote by a large majority was favorable to the Chamber's recommendations.

The unfortunate position in which the world's shipping has found itself in the course of the present war has evidently made a deep impression on the membership of the Chamber. The vote by the commercial organizations in favor of stronger and better defined rules for the protection of life and property on the high seas was practically unanimous, as was also that for an initiative by the United States in calling for frequent international conferences for the purpose of amending international law.

It was on the question of the methods recommended for enforcing peace that the dissenting votes of the Chamber appeared. Should nations which resort to military measures without first submitting their differences to an international court, be coerced by economic pressure? This question was answered in the affirmative, althougn there was a larger dissenting vote in this case than in the following proposition. On the question of the use of military force, if united economic pressure should not prove sufficient, the vote in opposition was just enough to prevent the Chamber from being committed, as it requires a two-thirds vote.

It is a significant fact that all of the nations now fighting in Europe keep on repeating the statement that it is peace—permanent, unbreakable peace—for which they are battling. The questions voted upon affirmatively by the business men represented in the membership of the National Chamber are the result of the best, latest and sanest thinking upon the subject of world amity. Forty-four nations have already agreed to these propositions in substance as formulated by The Hague conventions. The present great war has shown the necessity. It is an irresistible demonstration, and the United States is peculiarly well fitted to lead in the active protection of the idea of "come, let us reason together" among nations. Moreover, says the committee's report, even the selfish interests of the fighting nations will compel them at the close of the war to favor the "greatest pratical substitution of law for war by the creation of international tribunals."

REFERENDUM No. 11

I

The Committee recommends action to secure conferences among neutral countries, on the initiative of the United States, for the purpose of defining and enunciating rules which will at all times give due protection to life and property upon the high seas.

763 in favor; 29 opposed.

II

The Committee recommends that for the decision of questions which arise between nations and which can be resolved upon the application of established rules or upon a determination of facts the United States should take the initiative in joining with other nations in establishing an International Court.

753 in favor; 21 opposed.

III

The Committee recommends that for consideration of questions which arise between nations and which do not depend upon established rules or upon facts which can be determined by an International Court the United States should take the initiative in joining with other nations in establishing a Council of Conciliation.

744 in favor; 28 opposed.

IV

The Committee recommends that the United States should take the initiative in joining with other nations in agreeing to bring concerted economic pressure to bear upon any nation or nations which resort to military measures without submitting their differences to an International Court or a Council of Conciliation, and awaiting the decision of the Court or the recommendation of the Council, as circumstances make the more appropriate.

556 in favor; 157 opposed.

V

The Committee recommends that the United States take the initiative in joining with other nations in agreeing to use concerted military force in the event that concerted economic pressure exercised by the signatory nations is not sufficient to compel nations which have proceeded to war to desist from military operations and submit the questions at issue to an International Court or a Council of Conciliation, as circumstances make the more appropriate.

452 in favor; 249 opposed.

VI

The Committee recommends that the United States should take the initiative in establishing the principle of frequent international conferences at expressly stated intervals for the progressive amendment of international law.

769 in favor; 13 opposed.

What Can We Hold of Our War Time Trade?

By A. G. ROBINSON

WEIGHING fairly the conditions and the prospects of our export trade in 1913 and during the first half of 1914, we may assume that, had there been no war in Europe, the value of our shipments to other countries, for the calendar year 1915, would have been not far from $2,500,000,000. As it was, the sales were, approximately, $3,500,000,000, or practically $1,000,000,000 in excess of what may be regarded as the normal. Unquestionably, this excess is attributable to the influences of the European war, either directly or indirectly.

The statement that only a minor percentage of this trade increase is represented by "war material" is a mere quibble. Our exports of millions of dollars worth of refined sugar were as distinctly due to the war as were our exports of gunpowder and shrapnel. Millions of pairs of shoes sent to Europe may have been worn by soldiers or by civilians but they would not have been sent had there been no war. American horseshoes, in millions of pounds, may have been nailed to the hoofs of cavalry horses or to the hoofs of cab horses; their sale and shipment was due to the war quite as much as was the shipment of artillery, horses, harness, and saddles. Condensed milk, in millions of quarts, may have gone to military hospitals or to nurseries for orphan children; it was, nevertheless, actually a war shipment in both cases and not a normal one.

Full details for the export trade of the calendar year 1915 will not be available for some time, but the returns for the closing months of the year will not change the general conclusions to be drawn from the records of the earlier months. They will merely turn huge sums into huger sums.

The Effect of Price Increase

It is clear that the trade of the year has been influenced by two factors, namely, increase in volume of commodities and increase, in many cases, in unit values. Wheat may be taken as a notable illustration; thus:

Wheat Shipments

9 months ending September	bushels	value	unit price
1913	82,496,539	$ 79,507,232	$0.96
1914	106,225,598	106,060,875	1.00
1915	161,666,119	231,083,661	1.43

Here we have not only a doubled quantity but, as well, a 50 per cent increase in unit price. In those nine months in 1913, we shipped 24,572 head of horses, at an average price of $140. In the corresponding months in 1915, we shipped 344,932 head, at an average of about $215. The average export price of wheat flour was $4.61 a barrel, in September, 1913, and $5.58 in September, 1915. Sole leather, for export, was 25.7 cents a pound in the earlier of those months and 35.2 cents in the latter. Refined sugar was, respectively, 4 cents and 4.5 cents. The figures for copper metal were 15.4 and 18.1, with an advance beyond 20 cents a few weeks later. Canned salmon was 8.4 and 10.3. A long list of such price advances might be quoted. They account for an important part of the so-called trade gain our business men have made in war time.



Photograph by Pictorial News Co.

Endless Lines of Freight Cars Showing Our Business for Export

The increase in the quantity of wheat exported, and in the number of horses, is given in the preceding paragraph. Using the same periods for comparison, other illustrations of increase in quantity or number may be given. In many instances, probably in most, there was also an increase in unit price.

Nine Months Ending September

	1913	1914	1915
Mules—head	3,857	3,275	96,842
Oats—bu.	5,181,692	13,444,984	83,239,627
Automobiles			
Commercial—No.	778	637	17,269
Passenger—No.	20,175	19,530	31,036
Motor Cycles—No.	3,459	5,820	11,859
Sulphuric Acid—lbs.	5,664,544	7,057,802	63,436,045
Gunpowder—lbs.	1,017,962	657,171	30,581,727
Canned Salmon—lbs.	25,687,296	42,092,822	72,001,557
Refined Sugar—lbs.	35,779,154	118,639,950	539,156,405
Hay—tons	42,517	33,888	139,740
Horseshoes—lbs.	2,128,366	4,587,879	31,297,605
Men's Shoes—prs.	3,812,935	3,101,100	8,444,856
Canned Beef—lbs.	3,321,540	7,755,049	61,140,241
Fresh Beef—lbs.	5,572,727	11,776,419	208,089,927

Compared with what may be regarded as the normal exports, for such a period, our sales to the European countries in and near the war area stand thus:

	10 months ending October, 1915	Normal average for same period
United Kingdom	$960,000,000	$460,000,000
France	400,000,000	130,000,000
Italy	222,000,000	65,000,000
Denmark	63,000,000	15,000,000
Greece	24,000,000	850,000
Norway	37,000,000	7,500,000
Sweden	73,000,000	10,000,000
Russia in Europe	85,000,000	22,000,000
Russia in Asia	30,000,000	1,000,000

This may be taken as an entirely fair comparison of the actual exports of the United States to those countries, in the first ten months of 1915, with the trade that would probably have been done had peace continued. In the difference, there is represented practically the entire increase in the sum of our export sales. The shrinkage in our sales to Germany and Austria-Hungary appears below.

	10 months ending October, 1915	Normal average for same period
Germany	$12,000,000	$285,000,000
Austria	105,000	19,000,000

The list is much too long to be used in full in the table below. It includes copper in enormous quantities, alcohol, wine, bacon, butter, condensed milk, aluminum and manufactures, manufactures of brass, oatmeal and rye, surgical instruments, brushes, buttons, razors and a multitude of other articles. In practically all cases, far the greater part of the increase awaiting at our ports appears in shipments to the nations engaged in war.

A Comparison of Totals

A comparison of totals for 1915 with those of 1914 is manifestly unfair for the reason that, immediately following the

How the Bureau of Fisheries is Serving Business

By HUGH M. SMITH
United States Commissioner of Fisheries

THE Bureau of Fisheries, of the Department of Commerce, is organized on scientific lines for business ends. The results of scientific investigations of the waters and their inhabitants are applied to the promotion of the fisheries and fish culture. This happy combination, which has existed from the beginning, has resulted in the development of a service that is one of the most useful and practical under the federal government; one that literally pays its own way in the economic value of the work performed, commends itself to the business world, and appeals to the hard common sense of the American public.



Dr. Hugh M. Smith
Commissioner of Fisheries.

The activities of the bureau are too numerous and varied to be discussed in detail within the prescribed limits of this article. All that can be attempted is to give a few examples of the practical aspects of those activities.

Planting the Waters

Very early in the existence of the Bureau of Fisheries it was seen that the most effective direct aid to the fishing industry to be afforded by the federal government was through the artificial propagation of food fishes and the gratuitous stocking of waters therewith. Of course this point of view was in large part due to the fact that the states have reserved to themselves the right to regulate their fisheries, leaving the general government without jurisdiction except in Alaska.

From the very outset the fish-cultural work proved successful and popular. It has annually been extended by Congress and augmented by increased efficiency and experience. For years it has overshadowed all other branches of service.

Fifty permanent hatcheries and half as many more auxiliaries and field stations were operated in 1915 in 32 states and Alaska. Their output exceeded four and three quarter billions of young and adolescent fishes, and partly incubated eggs transferred to state hatcheries.

The distribution of the enormous numbers of young fish produced each year is a huge task, requiring a special staff and special transportation facilities. Last year fish were delivered to applicants in every state.

From an early period fish-distributing cars have been employed by the Bureau, and at present there are five such cars in operation. Another car, of modern all-steel construction, is now being built. These cars have their permanent crews, are equipped for carrying large numbers of live fishes safely and comfortably, and are hauled everywhere on passenger trains. Shipments off the main lines are entrusted to temporarily detached messengers who carry their fish in baggage cars. In 1915, the distribution of Uncle Sam's fish crop involved about 638,000 miles of railroad travel, of which 146,500 miles were covered by the special cars. Nearly one-fourth of this travel is granted without cost by certain railroads which appreciate the advantages that accrue from the stocking of waters along their routes.

Practical Results of Fish Acclimatization

A natural outgrowth of the fish-cultural work has been the transplanting of native fishes into waters in which they are not indigenous. The supply of food and game fishes in every part of the country has thus been increased and enriched, the pleasures of angling have been greatly enhanced and very important economic results have been secured. Two of the most conspicuous cases, involving the establishment of Atlantic coast fishes on the Pacific coast, may be cited.

At a cost not exceeding $4.000 plants of young shad from eastern rivers were made in the Sacramento River between 1871 and 1880, and in the Columbia River in 1885 and 1886. From the outset, the shad found their new home congenial multiplied at a rapid rate, and distributed themselves along 4,000 miles of coast, from southern California to southeast Alaska.

Considered from the business standpoint, this acclimatization experiment has proved a remarkably good investment of public money, for the fishermen of the Pacific coast states have caught and sold



A Fishery Laboratory in the Central West
Established at Fairport, Iowa, to aid the pearl-button industry.

upward of 30,000,000 pounds of shad and have enriched themselves by the sum of $600,000. A noteworthy recent development of the Pacific shad fishery has been the shipping of shad from the Columbia River to New York, Washington, and other eastern markets. The history of the acclimatization of the striped bass is quite similar to the case of the shad, and the economic results have been equally striking. In 1879 and 1882 two plants of young fish, aggregating 435 individuals, were made in San Francisco Bay. From these slender colonies, the species has had a wonderful growth and shown an uninterrupted increase, so that today the striped bass is more abundant in California than in any eastern state. The aggregate yield of striped bass to date has been over 28,000,000 pounds, with a market value exceeding $1,750,000. The total cost of introducing this species on the Pacific coast was less than $1,000.



Distributing Young Fish by Train
The Government now has five cars for this distribution, marked "Department of Commerce, Bureau of Fisheries."

Service to the Fishing Industry

The importance of the work of the Bureau in promoting and assisting the economic fisheries is freely acknowledged and widely appreciated. A few instances of these efforts may be mentioned.

The oyster, the most valuable of American water products, is not artificially propagated and distributed by the Bureau as are food fishes. The oyster industry in every state, however, has been aided by surveys of the grounds and by practical recommendations covering the inauguration or extension of oyster planting. How beneficial this service has not infrequently proved may be judged from the history of the oyster-planting industry in Louisiana.

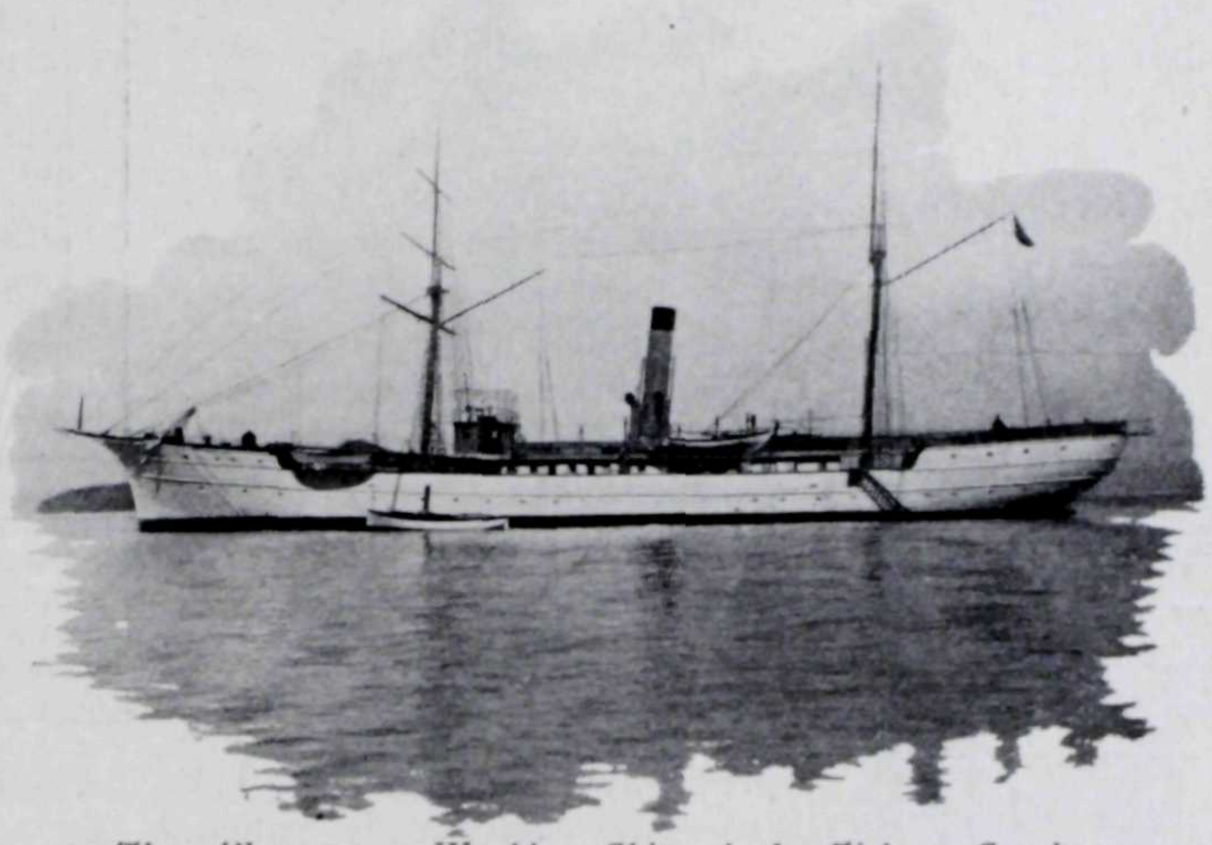
Up to 1898 there were few planted beds of oysters in Louisiana waters. Investigation of the oyster grounds by the Bureau in that year, however, led to the passage of beneficial laws and proved a general stimulus to oyster culture in that state, as shown by the fact that some 20,000 acres of bottom were soon under cultivation. In 1906 the state, still further to promote the local industry, again asked the Bureau's assistance, and large acres of unutilized bottom were examined to determine their productive capacity. The conditions were found to be exceptionally favorable, and experimental plants produced 3½ to 4 inch oysters in quantities of from 1,000 to 2,000 bushels per acre, within two years after the cultch was put down. In Barataria Bay, where there had been no oysters whatever, such promising beds were established that hundreds of acres of adjacent bottom were immediately leased by prospective planters, and in one year following the conclusion of the Bureau's experiments the oysters taken from bottoms that had previously been wholly unproductive had a value far in excess of the total appropriations for the Bureau's research work. Furthermore, large annual revenues have come to the state from the leasing of grounds for oyster planting.

New apparatus and new methods have been brought to the attention of American fishermen, and new fisheries have been established as a result of exploratory and survey work conducted with the Bureau's vessels. Noteworthy cases have been the accurate definition and testing of productive fishing grounds lying off the North Carolina coast; and the use of the *Albatross* in surveying little known or new halibut grounds off the coast of Washington and Oregon.

After a number of years of patient research and experimentation the Bureau has developed a method of growing sponges from cuttings, thus opening up to sponge cultivation large sections of bottom off the Florida coast that formerly produced sponges but have long since been depleted.

The Case of the Tilefish

A concrete example of one of the ways in which the Bureau renders practical assistance to the fishing industry is the recent highly successful campaign for the introduction of a new food fish into American markets, and incidentally the establishment of a new vessel fishery on the Atlantic coast.



The Albatross, a Working Ship of the Fishery Service

Engaged in deep sea investigations, this ship has contributed more than any other vessel in the world to the knowledge of the life of the sea.

First discovered in 1879, the tilefish was apparently exterminated in 1882, when dead fish were found covering an area 170 miles long and 25 miles wide. Estimates made at the time indicated that one and a half million tilefish had perished from some vast submarine cataclysm. For ten years persistent search failed to reveal any tilefish in their old haunts, but in 1892 the Bureau caught a few fish, and later fishing trials indicated that the tilefish had reestablished itself.

The situation confronting the Bureau was this: The ultimate consumer was not acquainted with the tilefish and would not buy it. The dealer was too busy to advertise it so long as any other fish were available. The fisherman could not be expected to catch a fish of whose existence he had no visual evidence and for which there was no certainty of a market. The economic problem was to create a demand and simultaneously satisfy it, to excite the consumer's desire, the dealer's business sense, and the fisherman's interest, and to make each react on the others.

Within less than a month from the day the demonstration vessel set sail for the fishing grounds, the Bureau turned the business over to the regular trade. A commercial fishery has been established, nine large vessels have already entered the fishery and others are outfitting for it, the demand for tilefish is ten times the present catch, and the chief difficulty has been to keep the price from going too high.

Aid to the Button Business

Up to a comparatively recent time all pearl buttons used in the United States came from abroad. On the discovery that the Mississippi River and many of its tributaries, together with other interior waters, contained mussels whose pearly shells were suitable for manufacture into buttons. a new industry was launched which grew rapidly; gave employment to many thousands of men, women and children; supported a lucrative fishery; and came to have an output that has been worth $7,000,000 to $9,000,000 annually.

The activity of the fishery, combined with the slow growth of the mussels, after a time began to affect the supply of raw material; and, although the Bureau early sounded a note of alarm and pointed out the urgent need for regulative legislation, the states remained indifferent and the abundance of mussels became much reduced, so that the welfare of the industry was imperiled.

Pending action by the states which would prevent further depletion and permit the more valuable mussels to recuperate from the effects of over fishing. the Bureau entered the field with the intention of bringing artificial propagation to the aid of the mussel fishery. The Bureau set to work to make those biological studies and experiments on which any successful attempts at cultivation would have to be based; and there was established on the Mississippi River in Iowa a very complete mussel laboratory. A feasible method of mussel culture was soon developed, and mussel culture has now attained large proportions and is becoming more extensive and efficient each year.

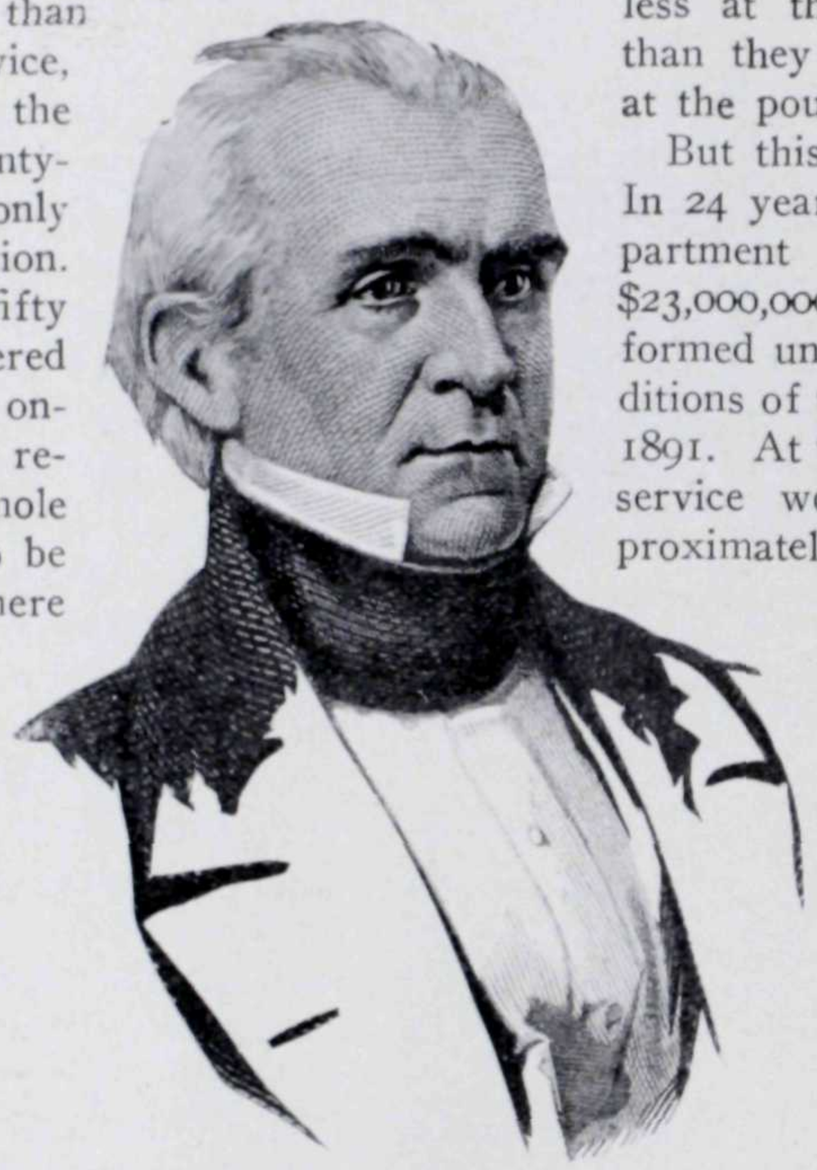
(*Concluded on page* 19)

Twenty-five Years of Postal Subsidy

What This Has Really Meant to the American Merchant Marine

TODAY the postal subsidy of the United States is unique; it is an actual economy. The Postmaster General's report shows that our subsidy law—the Ocean Mail Act of 1891—enabled him last year to save $236,468. The subsidized American mail lines received that much less than they would have earned had they not enjoyed the benefits of a law passed to promote the commerce of the country. The aggregate cost of this contract mail service was $1,096,209.

The accompanying chart indicates the general scheme of ocean mail routes which the Postmaster General has asked American shipowners to bid for since 1892 and the net results in the way of service actually in operation today. After advertising for more than fifty lines of service, the Department at the end of nearly twenty-five years can show only five routes in operation. Moreover, to the fifty separate services offered the Department has only had some fifteen responses in the whole period. It may also be said at once that there has been practically no competition at all among steamship owners to take advantage of the increased remuneration which the Ocean Mail Act has generally extended. Moreover, the Postmaster General apparently has never had more than one bidder on any one route advertised for service. Just what significance this fact may have may be open to various interpretations, but certainly to none which presumes that the rates of compensation, afforded by the act have been attractive to American shipowners.



President Polk—Father of the Ocean Mail Subsidy Law

Briefly, our postal subsidy law provides for contract mail service in four classes of ships: 20 knot ships with a minimum tonnage of 8,000 gross tons; 16 knot ships with a minimum tonnage of 5,000 tons; 14 knot ships with a minimum tonnage of 2,500 tons; 12 knot ships with a minimum tonnage of 1,500 tons. The compensation is $4 a mile; $2 a mile; $1 a mile and 66 2/3 cents a mile, respectively, for each mile traveled each outward voyage on a schedule fixed by the contract entered into by the Postmaster General. Ordinarily these rates have given the contracting companies a higher compensation than they could have earned under the regular rates of pay for American mail ships, which are 80 cents per pound of letters and post cards and 8 cents per pound of newspapers, parcel post, etc. But the withdrawal of many German and British mail steamers during the war has resulted in their carrying so much more mail than usual that they have actually earned a good deal less at the flat mileage rate than they would have earned at the pound rate.

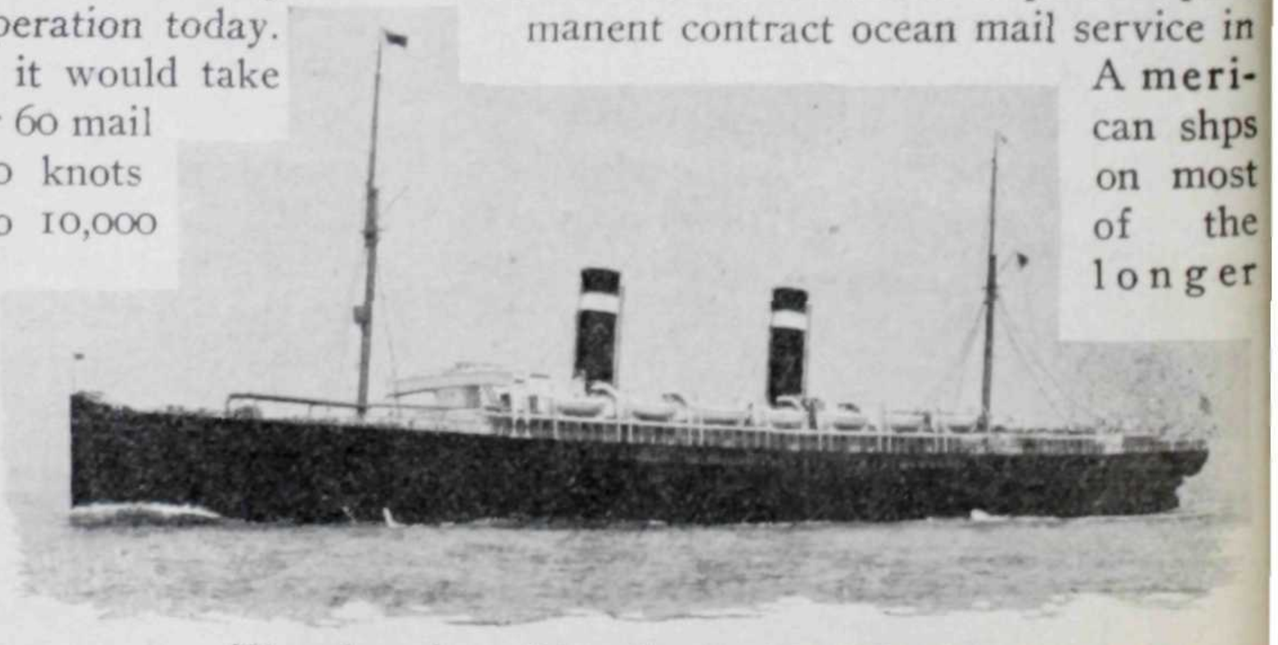
But this is beside the point. In 24 years the Postoffice Department has expended over $23,000,000 on mail service performed under the subsidy conditions of the ocean mail act of 1891. At the regular rates this service would have cost approximately $15,000,000. The answer is patent. The actual net cost of our subsidy expenditure—$8,000,000 in 24 years—has been amazingly small for a great country and it is therefore no serious reflection on the principle involved that the net result has been equally unimportant. Only five lines of service with some 14 or 15 ships remain in operation today. It is probable that it would take a minimum of 50 or 60 mail ships of 14 to 20 knots speed and 3,000 to 10,000 minimum tonnage to perform satisfactory and regular mail, passenger and freight service on the main routes indicated in the chart, for a gross expenditure of something like $8,000,000 or $9,000,000 a year. But such a comprehensive service would effect some economy by reducing notably the sums now paid by the Postmaster General to foreign ships for carrying American mail and would, every penny of it, be paid to the credit of American shipowners for undertaking not only to stimulate American shipbuilding, but also for providing American exporters, manufacturers and farmers means of shipping their products abroad in American bottoms. To this must be added, in any comprehensive consideration of such a scheme, the freight rates which would then be paid to American instead of to foreign shipowners.

President Polk on Our Merchant Marine

The enlightened policy by which a rapid communication with the various distant parts of the world is established by means of American-built steamers would find an ample reward in the increase of our commerce and in making our country and its resources more favorably known abroad; but the national advantage is still greater of having our naval officers made familiar with steam navigation, and of having the privilege of taking the ships already equipped for immediate service at a moment's notice, and will be cheaply purchased by the compensation to be paid for the transportation of mails over and above the postage received. A just national *pride, no less than our commercial* interests, would seem to favor the policy of augmenting the number of this description of vessels.—In a message to Congress in 1845.

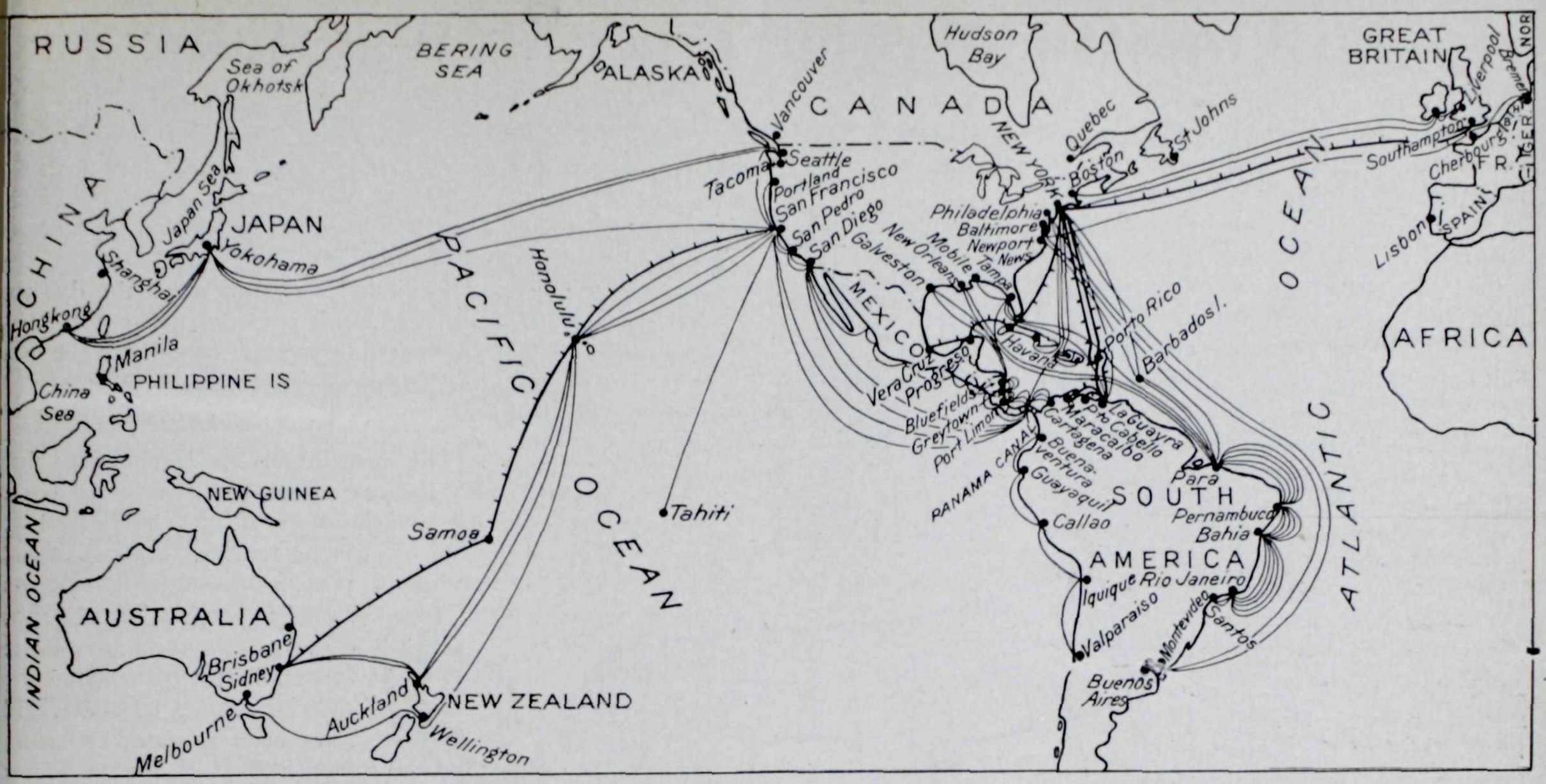
Policy of the Post Office Department

At one time or another various proposals before Congress have brought out the fact that the Post Office Department has been unable under any existing laws of the United States to procure permanent contract ocean mail service in American shps on most of the longer



The American Line Steamship "St. Louis"

(Which has earned approximately $3,000,000 in 20 years carrying the United States Mail.)



The Ocean Mail Routes which the Postmaster General has asked American Shipowners to buy since 1892 and the lines in operation today. Crossed lines indicate the only services in operation today

and more expensive mail routes such as those to Brazil and Argentina, Australasia and the Orient. So far as known, no Postmaster General has questioned the propriety or national advantage of established and regular mail service in American ships which would carry passengers, and freight as well, and make known in the principal ports of the world the flag which used to be so familiar on our sailing ships before 1850. The plan of the Post Office Department, through a series of years, seems to indicate a conviction that, not only commercially but purely from a governmental point of view, the establishment of American lines to the principal foreign ports of the world is distinctly advisable.

Subsidies and a Merchant Marine

This affords a basis for some approximation of the degree and measure of effort which must be taken to rehabilitate our merchant marine on a satisfactory basis. It is a question in some minds as to whether the tramp steamer appears before or after the establishment of regular lines; or does one produce the other and if so which class of transportation takes the initiative. But this does not obscure the fact that the great nations of the world, France, Germany, Japan, and Great Britain, which are powerful in foreign trade, have all built up established lines on regular routes by means of government aid and subsidy in one or other of the several forms which these principles may take.

How the Bureau of Fisheries is Serving Business

(*Concluded from page 17*)

Marketing American Fur-Seal Skins

In the Alaskan fur seals the United States has the most valuable herd of wild animals that any government in the world has ever owned, and the Bureau of Fisheries is the custodian. These seals have been sadly decimated by indiscriminate slaughter at sea, and may never again to the millions of individuals that composed the herd when Alaska came into our possession in 1868. Thanks, however, to an international convention concluded in 1911, to which Great Britain, Russia, Japan and the United States are parties, the herd has more than doubled in four years and now numbers more than 350,000 animals. Congress has thought it wise to impose a close time on the taking of seals for commercial purposes, and at present the only seals that may be killed are those required for the food purposes of the native inhabitants of the Pribilof Islands—two tiny bits of land in Bering Sea which are the only land to which the Alaskan seals ever resort.

Under the leasing system which covered forty years, until terminated by Congress in 1910, young male seals to the number of 2,320,000 were taken by the lessees, who paid an annual rental and a royalty on each skin; the skins were salted and shipped to London, and there sold at public auction. Then, after being dressed and dyed by a secret process, 70 to 80 per cent of the skins were imported into the United States and made into garments for the use of our people.

All this is now much changed. Gone is the leasing system with its attendant objectionable features; gone is the shipping of Alaskan seal skins to London; gone is the dressing and dyeing of such skins in London. When the business history of America is written, one of the most noteworthy achievements recorded of the twentieth century will be the part played in 1914 by the Department of Commerce, acting through and in behalf of the Bureau of Fisheries, in upsetting the unbroken practice of upward of two generations and decreeing that government-owned fur-seal skins shall no longer be sent abroad at increased expense and sold for the benefit of foreign merchants but shall be sold at home for the immediate benefit of American trade.

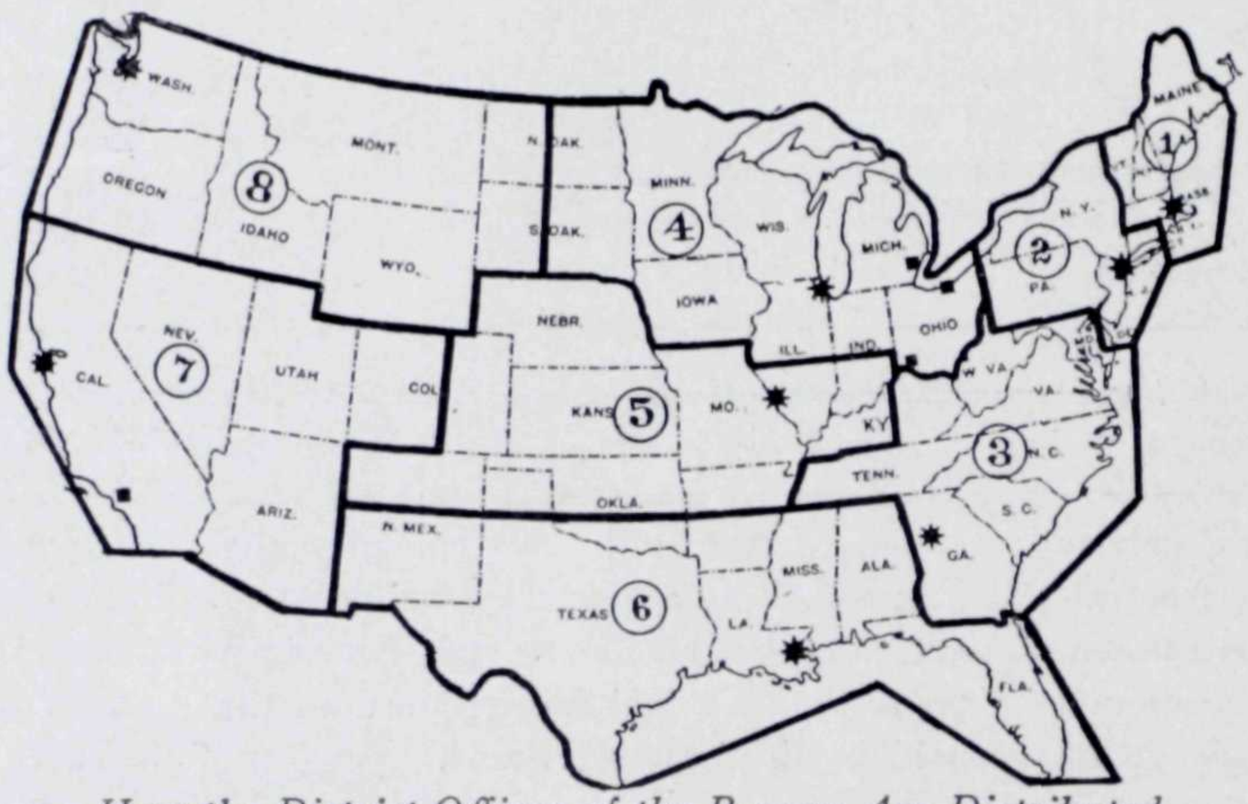
Pushing Our World Trade In War Time

A Year's Work of the Bureau of Foreign and Domestic Commerce

THE Bureau of Foreign and Domestic Commerce and the extension of its activities have been the subject—at least in part—of two referenda of the National Chamber. The Bureau, in the annual report just issued, frankly acknowledges the value of the assistance thus rendered by the National Chamber and the publicity given in the pages of THE NATION'S BUSINESS.

All considerations of American commerce during the past two years revolve around the European war. This great conflict suddenly thrust before the face and imagination of the American business community the subject of foreign trade.

From the figures and tabulated data presented in his annual report, Dr. E. E. Pratt, Chief of the Bureau of Foreign and Domestic Commerce, draws the conclusion that the American business community "should guard against any sense of safety in our present prosperity, in so far as that prosperity is based on business connected with the belligerent activities in Europe. Our business men should carefully discount the continuance of so-called war orders and avoid basing future conclusions upon conditions which they bring into existence." The sales that are made will probably be largely on credit for a considerable time. It would seem, therefore, to be the part of prudence for us to distribute our trade so widely over the world's markets that "the cessation of our business with Europe will be proportionately less important." Nevertheless (such is the conclusion of this report), this is "unquestionably the time for the American manufacturer to develop foreign markets."



How the District Offices of the Bureau Are Distributed

* indicates headquarters of each district: 1, Boston; 2, New York; 3, Atlanta; 4, Chicago; 5, St. Louis; 6, New Orleans; 7, San Francisco; 8, Seattle.

■ indicates cooperating offices: Cincinnati, Cleveland, and Detroit, in district 4; and Los Angeles, in district 7.

Two Problems of Our Foreign Trade

The two problems of commanding importance in connection with our foreign trade, as the Bureau experts see it, are, first, financing our foreign trade, and second, educating men to carry it on. The conditions which brought about dollar exchange instead of sterling exchange are still at work and are rapidly making us a creditor instead of a debtor nation. On the basis of the figures of imports and exports for the last six months of the fiscal year, 1915, we have accumulated, a "a net favorable balance of about $600,000,000." This sum is, therefore, "available at the present moment for the purpose of making direct loans to other countries." "If this process goes on at the same rate for the next five or six months more the United States will then probably be able to lend money to other countries in very large quantities." Then we will be able to begin to do as other commercial nations have done, notably Great Britain and Germany—to use our banks abroad as trade outposts.

As to the education of men for foreign trade, such institutions as we have in this country where commercial courses are being given are "lamentably inadequate" compared with the German attention to foreign trade. The situation is, nevertheless, "hopeful."

It would seem that we have finally come to the point where the American business community and the American public desire to shake off our commercial dependence on Europe and to establish ourselves commercially independent. Dr. Pratt believes that the intelligent support of the national government in international trade is absolutely necessary. He joins in the chorus of commercial bodies generally for the establishment of an adequate merchant marine, asks for permission for American firms to co-operate in developing foreign markets, approves the demand for free ports and, in general, points out the necessity for commercial preparedness.

Some of the achievements of the Bureau of Foreign and Domestic Commerce in relation to domestic trade have been particularly noteworthy. The annual report reviews the dyestuff situation, and speaks of the investigation conducted by Special Agent, Dr. Thomas H. Norton (see our article in June).

The New Commercial Attaches

The most important development during the year considered, we are told, was the inauguration of the commercial attache service. This was made possible through the congressional appropriation of $100,000. Ten commercial attaches, in the principal commercial centers of the world, have been at work for some months. They are accredited to the United Kingdom, France, Germany, Russia, Brazil, Argentina, Chile, Peru, Australia and China.

Mr. Thompson at Rotterdam and The Hague has been of great assistance to American exporters during the trials of the war period. Dr. Veditz has been enabled to open up the Spanish market to American coal. Mr. Arnold, in China, has been largely instrumental in organizing an American business men's club in Shanghai and is preparing a handbook on commercial China. Mr. Hutchinson, at Rio de Janeiro, is studying the tariff and financial situation in Brazil. Mr. Harrington, in Bolivia, has prepared an analysis of the tin production in that country.

Owing to the resignation of one of the attaches, a shifting will be made in the service and two new men, determined upon by examination, will go to their posts shortly after this number of the magazine appears. Mr. William F. Montavon is accredited to Lima, Peru, and Mr. Philip B. Kennedy to Melbourne, Australia, the latter to relieve Dr. Downs, who is to be transferred to Rio de Janeiro. Attache Harrington, formerly at Lima, resigned in August.

The system of branch offices of the Bureau was extended during the year. New offices were established in Boston, Atlanta, Seattle and St. Louis; these in addition to the ones already located at New York, Chicago, New Orleans and San Francisco.

A Year of War Risk Insurance for Shipping

By HON. ANDREW J. PETERS
Assistant Secretary of the Treasury

IN the first few days of the European war the American commercial world realized with a shock that shipping must have immediate protection. The emergency measure of the hour was war risk insurance. Since private companies were not able to handle that situation the Government at once stepped into the breach and established the Bureau of War Risk Insurance under the jurisdiction of the Treasury Department.

The President signed the bill which established the Bureau on September 2, 1914. By September 2, 1915, the Bureau had written policies on war risks aggregating $82,709,689 and has issued 1245 policies, or an average of over one hundred a month. Premiums amounting to $2,019,628.98 had been received and these, plus salvage and minus losses and expenses, show a total excess of receipts over expenditures of $1,306,496.29.

In the week directly following August 1, war risk insurance rates were almost prohibitive; in some cases shippers paid as high as 25% and 30% to cover war risks through the North Sea; while South American rates were up to 10% and rates to India and the Far East were as high as 15% to 20%. Underwriters in the United States were thoroughly embarrassed and, owing to a bank holiday, the reinsurance markets in London were closed. As a result, for three days risks were accepted without any possibility of reinsuring any part of those which might prove undesirable. It, therefore, became necessary to limit the amount which could be accepted on any one vessel, these amounts ranging from small sums for the smaller companies to $100,000 or $150,000 as a maximum for the larger companies. Consequently, shippers were able to insure only portions of their cargo and frequently had to carry a large portion of the risks themselves.

For some time after the reinsurance markets opened in London there was the greatest difficulty for the shipper to secure anything approaching the amount of insurance required, although conditions were not as bad as during the first week. A conference of representative business men was called by Secretary McAdoo at the Treasury Department on August 14 to consider the possibility of creating a Bureau for War Risk Insurance to supplement the private underwriters. A bill was immediately drafted, presented to Congress, and promptly enacted into law. On September 3 the day after the bill had been signed, the Bureau was organized and ready to accept business.

Every possible step has been taken to make the Bureau as efficient as possible. The Collectors of Customs at various ports have been instructed that any application submitted to them must be carefully scrutinized to see that it comes under the provisions of the Act, namely, American cargoes in vessels. If this is the case, the Collector telegraphs to the Bureau the name of the vessel, the nature of the cargo, the voyage, and the approximate sailing date. The Bureau wires its reply, and, if it accepts the risk, a certified cheque is forwarded at once to the Bureau. Immediately upon receipt of this cheque a policy is issued and sent out to the Collector. In this way the Collectors act as agents and accept premiums and deliver policies just as the agents of any large private insurance company would do. The above arrangement is used when the applicant wishes to apply to the Collector, but he is always at liberty to apply directly to the Bureau, if he so wishes, with the assurance that he will receive equally rapid service.

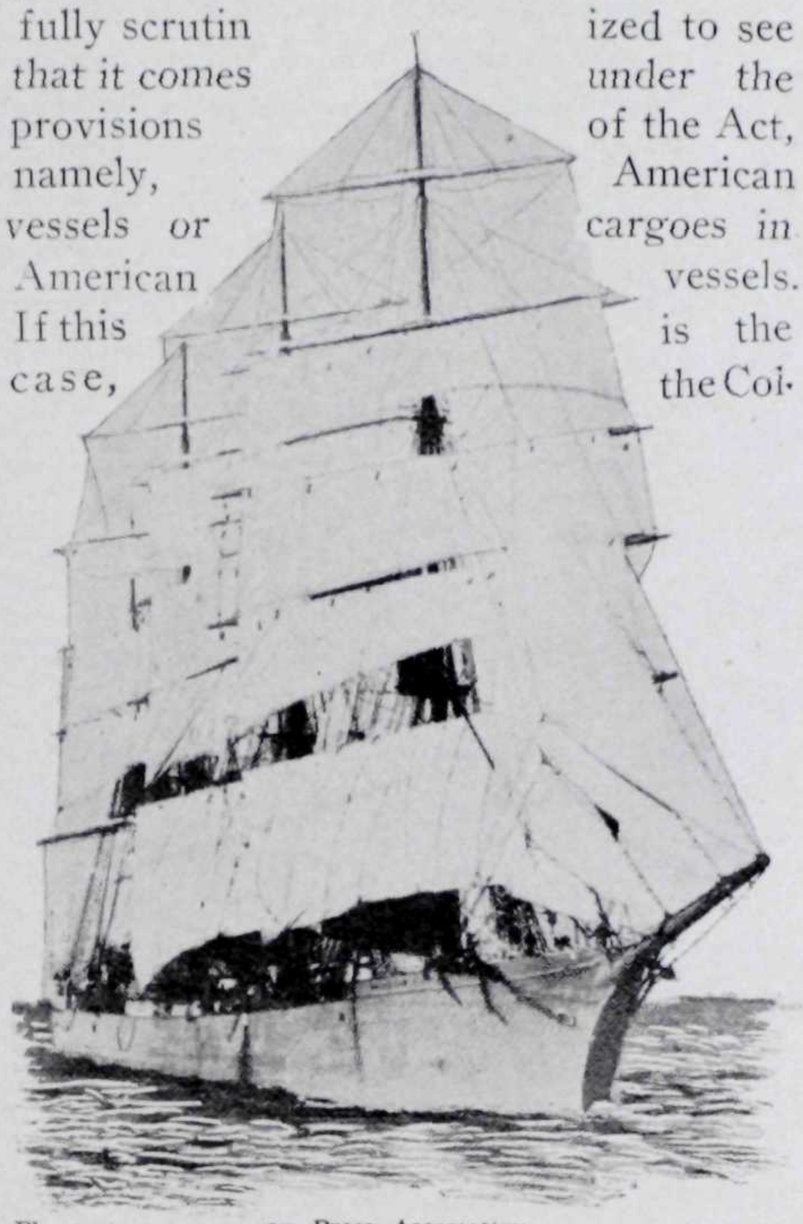


Photo. from American Press Association

The Famous American Fourmaster, the William P. Frye

(This sailing ship, one of the few large losses of the War Risk Insurance Bureau, was sunk by a German auxiliary cruiser a year ago this month.)

The staff of the Bureau of War Risk Insurance consists of the Director, an Assistant Director, three clerks and a messenger. Because of the smallness of the force the expenses have been kept down. For the first year these were, including the total expenses of organizing, printing, stationery, salaries, etc., $17,711.71. This includes also the remuneration of an Advisory Board of three members. The members of the Advisory Board are prominent insurance men who are not engaged regularly in the Bureau, but who are compensated at not to exceed $25 a day for the time they actually devote to the services of the Government in their advisory capacity. As the question of making rates is one of the highest importance, the Government has been fortunate in securing the cooperation of three men whose wide experience has been of great assistance and an important element in the successful operation of the Bureau, which has been conducted under the direct supervision of the writer in his capacity as Assistant Secretary of the Treasury.

The rates charged by the Bureau have had their influence on the rates charged by the private companies and have helped to keep them down. As conditions immediately surrounding the belligerent countries are likely to change at any moment, the Bureau has a list of special ports to which the rate will not be quoted without complete details of the prospective shipment. Rates to other ports are public property and are published each time they change.

The losses paid during the first year of operation aggregated $720,653, being for the steamers *Evelyn, Carib, Greenbrier* and the ship *William P. Frye*. The *Evelyn* and the *Carib* were carrying cotton to Bremen, and, fortunately for the Bureau, the mine by which the *Evelyn* was sunk exploded under the forward hold of the ship and so released the cotton, some of which has been salved with the prospect of more being recovered. In the case of the *Carib* the mine exploded amidships under the machinery and no cotton has yet been recovered. The salvage received up to December 10, 1915, has amounted to $48,143.68.

Summing up, the Bureau has been of great assistance to American commerce in that it has covered war risk insurance on many vessels and non-contraband cargoes where adequate protection could not be had in the open market. As vessels have sailed and cargoes have been shipped that could not have gone forward without its assistance, it is evident that the Bureau is fulfilling the purpose for which it was created.

WITH THE ORGANIZATIONS

Programs of Work, Committees and Time Budgets

A problem confronting most commercial organization secretaries is how to keep members interested. There are many expedients. Official journals are issued periodically by some, weekly luncheons are conducted by many, the local newspapers report progress and record new activities, and there are often many special meetings, luncheons and dinners at which speakers relate what is being undertaken.

Still comes the complaint that the majority of members do not keep themselves informed of what is being done and that the public is not informed at all. This condition is said to make recruiting very difficult and waning membership too often the rule.

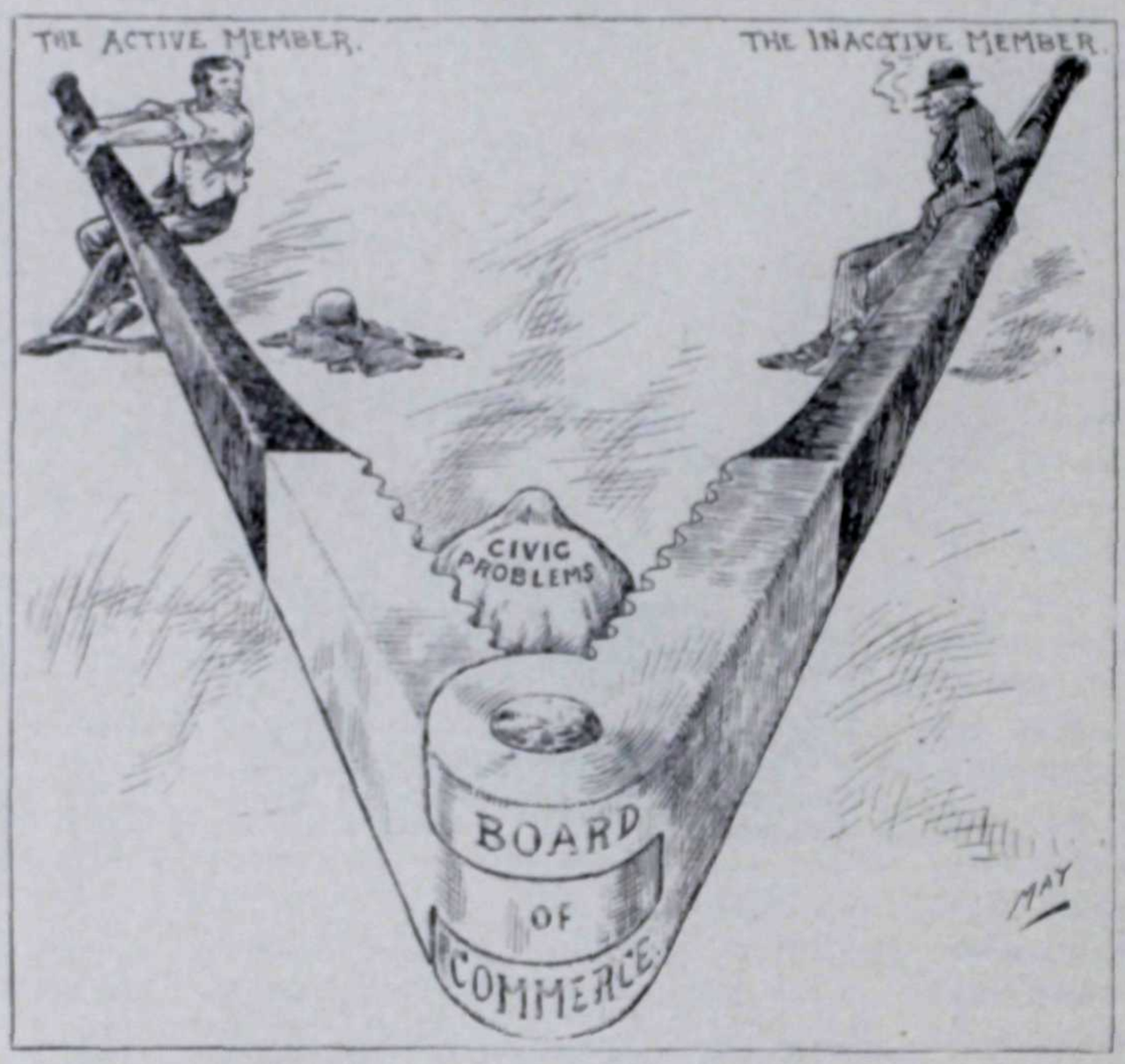
Once a year there is a reading of the annual reports of officers and committees, the election of new officers and the appointment of new committees. In many cases, the titles of committees is the only information the public has regarding the work the organization purposes undertaking during the year, and, in those organizations where the by-laws provide for a large number of standing committees this is often no index at all.

The public, reading over the list of committee titles, is apt to see little connection between them and work which it considers necessary to be done. This is because much of the work of an active organization is not done by standing, but by special committees appointed for the purpose when the occasion arises.

A Well Defined Program of Activities

The value of catching and holding the interest of the public from which membership must be recruited would seem to be indisputable. Would it not seem, then, that one of the ways to accomplish this would be to start every year with a well-considered and well-defined program of activities in the making of which the membership had participated? Is it not probable that such a program would receive public consideration?

Suppose that, immediately after the annual election, there should be appointed a *committee on annual program* composed of men who are willing to give time and attention to the work of program-making and in whom the public had confidence. Suppose that the members meet frequently in open session to receive and consider such suggestions as may be presented personally or by mail, and that the local newspapers keep the public informed regarding proceedings.



They Must Pull Together to Crack the Nut
—From THE DETROITER

Let us assume that the work of this committee on program is treated as of the very first importance, and that every effort is put forth to arouse the public to a sense of its interest in the program to be formulated. At the hearings which are held scores of subjects are presented and considered.

There is an almost endless list; shade trees along the streets, better lighting, more and better paving, insurance rates and fire protection, marking of street intersections, garbage disposal, transportation problems, housing conditions, obtaining of conventions, industrial expansion, vocational education, arbitration of business disputes, federation and endorsement of charities, public markets, good roads, postal facilities, public health, smoke abatement, clean city, enforcement of ordinances, promotion of retail trade, municipal auditorium, regulation of business signs, improvement of billboards, fake advertising, improvement of agriculture, change in form of city government, permanent exhibits of home products, improved street car service, trade excursions, and many other important subjects.

In discussing the problems presented, is it not probable that interest would be aroused and that the committee would be able to determine from discussions in the meetings and the daily press just what particular activities are of *most importance?*

It need not be the purpose to make a long program, but only to select those things that seem to be of real importance and capable of being carried out.

When this has been determined and the program agreed upon and endorsed by the Board of Directors, then would come the question of selecting men to serve on the various committees, and this would seem to be equally as important as the program itself.

It would seem to be ineffective only to agree upon a list of activities without also providing the machinery to carry them out, and that the best assurance that they would be carried out would be the appointment of a carefully selected committee to take charge of each activity, eliminating from the program any activity for which a fit committee cannot for any reason, be obtained.

Program for the Year's Work

When a definite program has thus been decided upon and committees appointed to investigate and report upon methods of making the program effective, then would seem to be the time for the Standing Committee on Membership to begin active work for new members. Those approached are informed regarding the program, many of them may have had a part in its formation; they know what funds are necessary and what they are to be used for and they are interested.

A number of commercial organizations

have adopted the plan of preparing a program of the year's work. Some of them select the items from a list submitted to a referendum by the members, but it does not appear generally to be the rule to discuss all items thoroughly in open meeting nor, except in a few instances, to give to committee personnel the same careful consideration as is given to the items of the program, nor to treat program items and committees to correspond as one complete and inseparable whole.

It would seem, however, that when the program is agreed upon and the committees selected, it is only a foundation that has been laid. Direction, it would seem, should be given to the work the committees are to do, and this, in turn, should be carefully laid out in what might be called a time budget or advance calendar.

A striking example of the programming of committee work is found in a pamphlet completed by the Committee on Organization of the Boston Chamber of Commerce, entitled, "A Summary of the Activities of the Chamber, of its Committees, their personnel, the subjects which come within their scope of action, and their plans and calendars for the current year."

The name and personnel of each committee is set forth, followed by a statement regarding the necessity of the work to be done. Then comes a statement of the plan and scope of the work, and last a calendar fixing dates for the various items of procedure. We find, for instance, that the Committee on Agriculture, whose duties have been carefully defined, is required to begin a preliminary survey on March 1; that certain hearings should be completed on April 1; that a digest of evidence should be prepared on April 15; that, on May 1, an agreement should be reached regarding some general recommendations and a first draft of a report prepared; and so on, fixing dates, item by item, until November 1, the time set for the completion of the final report.

In working out a program like this, all dead committees are easily discoverable, and are dropped, for the necessity of working out a committee program closely defining the duties and activities and arranging the activities in calendar form, would be difficult of accomplishment in the case of a committee with no real function to perform. The working out of such a program should also furnish information of value when it comes to selecting men to serve on committees and in fixing their number.

A program of this sort need in no way interfere with the regular duties of the secretary. While it might add the burden of committee supervision in those smaller organizations where committees as a rule are inactive and the secretary does all the work, on the other hand, it relieves him of that part of the work which best practice regards as properly belonging to committees.

As to Standing Committees

How many standing committees, provided for in the by-laws, are really active in the majority of organizations? Is it a good thing to have inactive committees? As a matter of fact, are not committee members having no work to do apt to take their inactivity as a measure of the amount and value of the work being done by other committees of the organization and its officers. What are these committeemen to answer when questioned, as they frequently must be, regarding what the organization is doing?

Suppose, instead of a lot of standing and special committees with undefined or hazily defined duties, we had committees composed of men carefully selected with a view to the work to be done, together with a clearly defined statement of what that work is, a calendar for meetings, investigations, hearings and reports, and provision for close secretarial supervision in carrying out the committee programs. Would not this be worth trying?

It would not be necessary to lay out an entire program by rule of thumb, but at first to try the experiment only in a few of the more important activities that had been decided upon. If the experiment proved successful it could be applied to all committees, and if not, it could be dropped.

Many commercial organization secretaries complain that people are continually asking what the local organization is doing, and this, despite the fact that publicity regarding its activities is constantly appearing in the official journal and the public press. The frequency of this complaint would lead to the belief that some other means must be found of informing the public and keeping its interest aroused.

Some Examples of Effective Work

That the members are interested in what is going on when given a chance to express themselves would seem to be exemplified in answers to a questionnaire recently sent by the Minneapolis Civic and Commerce Association to its members. The questionnaire listed sixty-three proposed activities and asked the members to indicate which ten they considered the most important. Nearly 1000 responses were received. The highest number of votes was in favor of improved municipal administration, the next highest in favor of efforts to secure a union station; and these were followed in due order by good roads, industrial development, improved housing, improved relationship with the Northwest, reorganization of police department, promotion of child welfare, improved river navigation and adjustment of traffic rates.

The Board of Trade of Elizabeth, New Jersey, recently issued a program of work based on suggestions received from 700 members. The first item relates to the paving, repairing, cleaning and lighting of the streets. The second relates to sidewalks and enforcement of the law as to obstructions. The third, fourth, fifth, sixth and seventh, relate to city planning, parks, playgrounds, shade trees, and improved housing and sanitation. Other items on the program are smoke reduction, abatement of noises, public market, vocational training, farm improvement, industrial development, transportation, retail trade, and increased efficiency in city government. These are the activities in which the members expressed most interest. Is it to be doubted that the interest can be maintained as long as the public is kept informed that an earnest, persistent effort is being made to carry out the program adopted through its aid and advice?

In a letter to members enclosing the program of work adopted, the Elizabeth Board of Trade said:

> Adoption of a Program of Work based on the desires of the membership is in line with the latest development in Board of Trade work throughout the United States. The program represents the Board of Trade's survey of the entire city, from industrial, commercial and civic standpoints. The manufacturer, the retailer, the real estate man, the builder, the doctor—each has his restricted view of the city as it appears to him and as it figures in his business operations. The Board of Trade's view must be all-inclusive. Considerable attention is given in this program to civic subjects. Civic work everywhere is being recognized and emphasized. In many cities it constitutes forty percent or more of the organization's activities.

The Ways and Means Committee of the Cleveland Chamber of Commerce in a recent report calls attention to the fact that every successful business is in a constant state of reorganization; that it is a sign of weakness rather than strength when the management is completely satisfied with methods and policies for any considerable length of time, and that this is as true of a Chamber of Commerce as of any other business corpora-

tion. In another part of the report it asks who can measure the effect of disinterested service upon the character and broadened vision of the members, and the value to many of them of sitting in council with men of ripe and seasoned judgment, discussing public questions without a view to personal gain or desire for personal recognition.

But in order that they may receive the benefits that come through association with the activities of the organization, its officials and committees, is it not necessary that they be given a part in selecting the program, in discussing its various items and in serving on or aiding its committees to the greatest possible extent; and that they be not merely invited to do this, but that the way be made easy and every encouragement given them to do it?

Organization Work Attracts Attention

LEADING publications of general circulation, such as *The Saturday Evening Post* and the *Outlook*, have devoted considerable space in recent issues to the important work of commercial organizations in community development and betterment.

"Running a Town With a Club"

In a two page article on the Civic and Commerce Association of Minneapolis, the *Post* of January 1 says:—

"The C. & C. is a Chamber of Commerce plus. Its membership includes not only business men but teachers, doctors, labor leaders, clerks, chauffeurs, and every other element of the community that is representative and upon which things can be built. It has a yearly revenue of a hundred and twenty-five thousand dollars to pay its own expenses, raised from members' dues. Each member pays dues according to the rough value of the organization to himself. A big wholesaler, constantly selling goods to hundreds of buyers who are brought to Minneapolis by the C. & C., can naturally pay more than the small retailer with a modest turnover, while the public-service corporation profits more directly than the proprietor of, say, two or three taxicabs. So each pays what seems right and the dues run from ten dollars a year up to as much as five thousand dollars. But big dues do not mean big influence, for the ten-dollar member has one vote and his say-so, and the five-thousand-dollar member has no more.

"This organization is a clearing house for the ability and public spirit of the town. It brings able men together in community service, keeps them at work, and backs them up with expert assistance. Government in American cities is not all it might be; yet the worst-managed city has among its business and professional men enough technical ability to run a community ten times the size if it could ever be hitched to the town. A few of these men could tackle the job single-handed, for they already handle affairs just as large and complicated. Hundreds of other men could deal with portions of the community's work, get tremendous fun out of it, and would serve for nothing and grow in the doing. The chief shortcoming of American city government seems to be that few of these men are enlisted, but in Minneapolis they have found out how to accomplish this."

Developing a Greater Detroit

The *Outlook* of December 22 has an article by one of its staff correspondents on Detroit, in which he says:—

"It was my good fortune to learn part of the important work that has been done by the Board of Commerce in the development of a greater Detroit. This organization is the consolidation of a number of commercial bodies that had built up considerable strength in their own fields. The principal ones of these were the Chamber of Commerce, the Merchants' and Manufacturers' Association, the Detroit Convention Bureau, and the Detroit Adcraft Club. The Commerce Board occupies a handsome home in the heart of the business district, which is a Club and civic center as well as a commercial meeting place.

"Besides its very extensive activities for industrial upbuilding, the Board of Commerce has entered largely into the field of social economics and has made an admirable record in its work for employees' welfare. A conspicuous example of the work of this organization is seen in its movement to educate the vast number of immigrant employees in Detroit factories, of whom there are more than sixty thousand. "Safety first" lessons have been amply given, but the teaching of the English language and of patriotism fostered by the Board has assumed a distinguished place in the educational work of the time. The appropriation for evening schools was increased this year from $35,000 to $65,975, and through the activity of the Board of Commerce the attendance in the elementary classes was increased from 2,169 in September, 1914, to 6,778 in September, 1915. Several manufacturers pay an additional two cents an hour to foreign employees who study English at night schools. The Board of Commerce now is planning to make a permanent display of Made-in-Detroit goods placed on view two years ago. The branches of this organization that are most active are the Bureaus of Industry and Education, the Transportation Bureau, the Bureau of Taxation, the Executives' Club, the Wholesale Merchants' Bureau, the Adcraft and Salesmanship Clubs, and the Good Roads Committee. Charles B. Warren, President of the Board of Commerce, takes the interesting position that a commercial organization should devote itself to promoting the welfare of industrial employees as much as to advancing the commercial welfare of a community.

" 'I have never considered the Board of Commerce merely as a commercial body,' he said. 'We have definite work along social lines.' One of our slogans is, 'Every industrial employee a home owner.' * * *

"The several bureaus in the Board of Commerce, working on tax and many industrial problems, are achieving things that will be helpful, not only to Detroit, but to business men everywhere."

Running a Town With a Club

By James H. Collins

IN MINNEAPOLIS they have an interesting way of running the town. Without changing the political scheme of the city government to any extent, as some other American cities do when they want better administration [illegible] backed up their [illegible] last ye[illegible] hundred of them out for a luncheon meeting if they can [illegible] a speaker who will instruct or ins[illegible] or putting a lot of high-class energy behind some spectacular project for a short time. It is not so easy to keep up the pace and attend to minor details. Minneapolis started off with the usual Whoop-la! The Publici[illegible] for brass-b[illegible]unts, and

The Title of an Article on Minneapolis and Its Commercial Association, in THE SATURDAY EVENING POST

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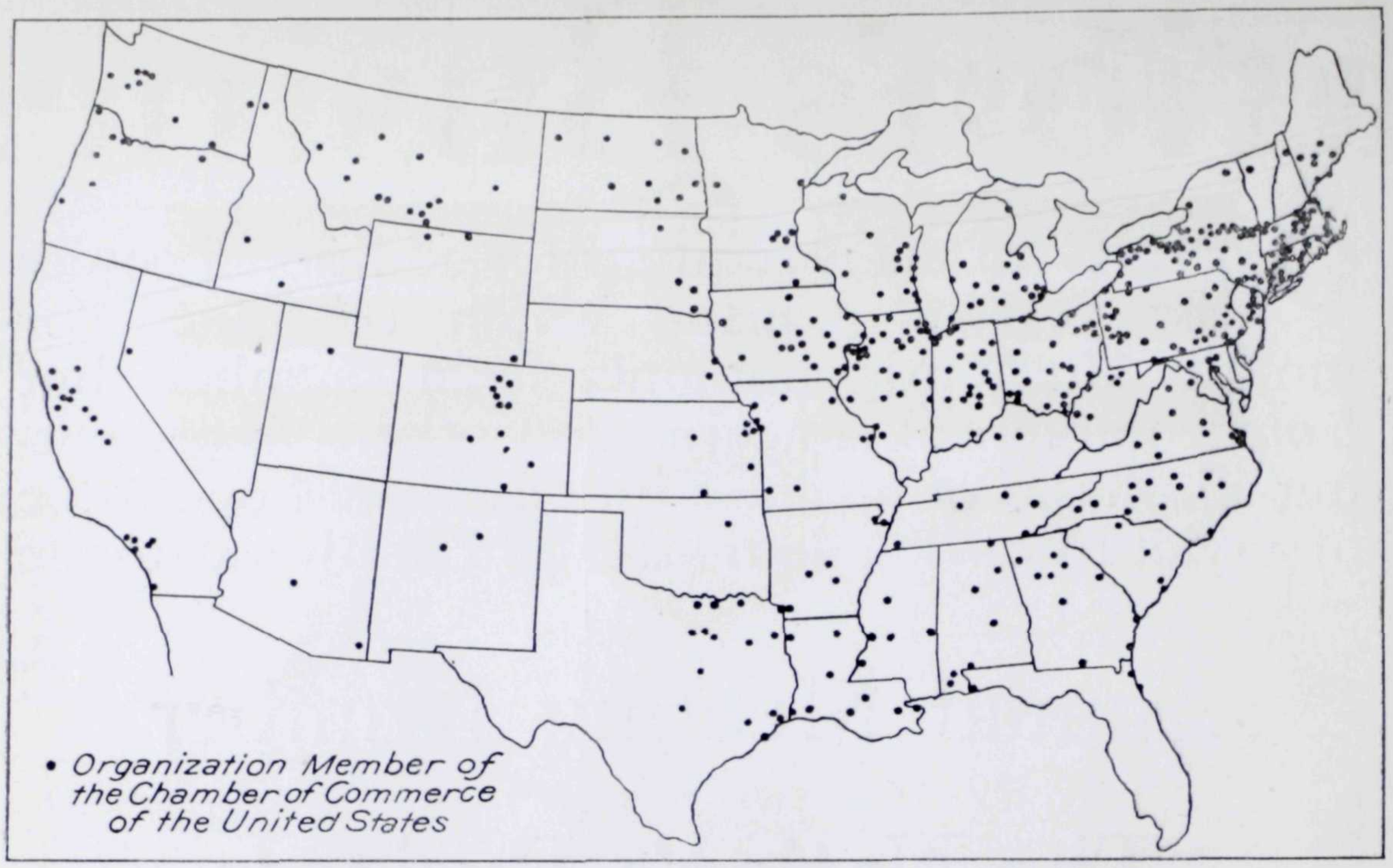
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A GREAT BUSINESS FORUM

PRESIDENT Wilson, high government officials and other eminent authorities will discuss at the National Capital next month the very biggest pending questions affecting the nation and its commerce. Commercial preparedness and trade conditions after the war will receive the same attention from those assembled that military preparedness is now receiving from the people at large.

Three hundred thousand business men from all over the country will send delegates to take advantage of the unparalleled opportunity for common counsel. The position of the United States in the world's trade will be considered. You should not miss the chance to attend.

Fourth Annual Meeting
Chamber of Commerce of the United States
Washington, D. C., February 8, 9 and 10